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ABSTRACT

The product of a study of urban Comprehensive Employment and Training Act (CETA) programs involving youths aged 16-22 that would result in real or potential job creation and community economic development, this report consists of 24 case studies and a series of recommendations pertaining to the development of similar programs in Illinois. Individual case studies included in the report were selected as examples of programs demonstrating linkages, alternative technologies, leadership, leveraging, spin-offs, education, introduction to potential and real works, transisitonal employment, cottage industry, and small and large organizations. Each case study contains a brief discussion of the history and activities of the program as well as descriptions of ideas, models, and procedures that are worthy of replication. Presented next are a series of conclusions pertaining to job creation/job training, community involvement, multiple funding, multi-year funding, administrative limitations, paperwork and monitoring limitations, leadership, legal linkages, umbrella organizations, technical assistance, training, union relationships, and neighborhood technology. Also set forth are recommendations for federal- and state-level action. A bibliography and glossary conclude the report. (MN)

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Youth Employment and Neighborhood Economic Development:

Case Studies and Recommendations

TRUST

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EXECUTIVE SUMMARY

The Illinois Department of Commerce and Community Affairs funded TRUST, Inc. to conduct a study of CETA programs involving youth (ages 16-22) that would result in real or potential job creation and community economic development. The study was limited to urban areas nationally and to the Chicago area in Illinois. Visits were made to over sixty projects and case studies were prepared on twenty-four.

This report is divided into four sections: an Introduction, the Case Studies, Analyses and Results, and Recommendations.

In addition to project visits the team profited from expert consultant advice, CETA literature, other research and the inputs from a forty person Program Advisory Committee. Two subcontracts were executed. The Center for Neighborhood Technology developed a paper and case studies, the bulk of which are included in this report. The Center for Education and Work prepared a 120 page report entitled Linking Employment and Training Programs with Economic Development which is available from the Center, the Illinois Employment and Training Council staff or TRUST, Inc.

The project team also prepared a technical assistance directory and "How To" manual available from IETC staff or TRUST, Inc.

Brief descriptions of each case study and final recommendations follow.

1. CETA Job Creation Program explains how Massachusetts' Office of Special Projects set up its initial Job Creation Program.

2. Neighborhood Development Corporation of Jamaica Plain developed a profit-making subsidiary, the Neighborhood Energy Company, growing out of its CETA youth housing rehabilitation project.

3. Peralta Service Corporation runs a MDRC supported work project featuring the use of MBO throughout its program operating a day care center, a Union 76 station and its packaging operation.

4. Broward County, Florida conducts a model community improvement program as part of the national VICI demonstration project linking all necessary local groups - manpower, labor, education, youth services, etc.

5. Open Road/New Enterprises demonstrates setting up automobile repair shops for training purposes and turning them into profit-making businesses.

6. All State Insurance combines with Opportunities Industrialization Centers and other agencies in establishing auto body shops in eight centers nationally.

7. The East Los Angeles Community Union, probably the largest CBO in the country, utilizes every available CETA title in its twenty for-profit subsidiaries and its eight major activity areas through its four major divisions.

8. Watts Labor Community Action Committee, another very large CBO, also utilizes all available CETA titles but operates all of its programs through non-profit subsidiaries.

9. Banana Kelly Community Improvement Association operates a "sweat equity" program rehabilitating housing, cleaning up the area and planting crops. Bronx Frontier Development Corporation serves as a catalyst for change in the South Bronx.

10. The Patch, Inc. involves youth in furniture refinishing, fabrics and pottery industries that are indigenous to the area.

11. Aunt Martha's Youth Service Center features woodcraft production and retailing, arts and crafts production and retailing, and is noteworthy for recruiting volunteers who provide a wide variety of youth services.

12. Asian Neighborhood Design is unusually successful in design and construction services as well as rehabilitation work for non-profit agencies.

13. Alternative Schools reviews the Park Heights Street Academy in Baltimore and its recycling programs, as well as three of the Chicago Alternative Schools Network's affiliates that operate their own businesses or services combining basic skills training and work experience.

14. Business Information Center Network in Massachusetts provided twenty-six centers for small businesses to get aid in packaging loans, developing business plans, etc.

15. Be Your Own Boss,developed by the Broward County PIC, is a program to train CETA eligibles to set up and run their own businesses.

16. Bronx Frontier Development Corporation utilizes neighborhood technology for urban agriculture, environmental maintenance, waste re-use and selling recycled products.

17. Solarwork Institute links basic solar skills training, apprentice training and solar business.

18. San Bernardino West Side Community Development Corporation engages in housing rehabilitation, solar energy demonstrations and panel production, research and development of a solarized industrial park.

19. Operation Brotherhood engages in neighborhood improvement, food production from greenhouses and outdoor gardens, and provides a food co-op, mobile grocery stores and hot meals services.

20. 18th Street Development Corporation conducts a VICI project involving housing rehabilitation, greenhouse crop production, solar heating and other neighborhood improvement services.

21. Technical Development Corporation develops job preparedness in energy conservation and solar utilization linked with existing manufacturers and contractors.

22. The Neighborhood Institute provides training and community rehabilitation and environmental maintenance services.

23. The Woodlawn Organization has engaged in extensive urban restoration, home weatherization and developed its own profit-making subsidiary contracting housing construction and rehabilitation.

24. Alternative Schools Network is a consortium of forty-five alternative schools of which twelve were funded by Youthwork to launch student-run businesses ranging from print shops to bakeries to day care centers and job placement services. The above cases serve as models for further Illinois adoption and adaptation.

Recommendations were directed to the federal and state levels.

Federal

1. Implement and monitor the DOL/CETA Interagency Agreements.

2. DOL should be an Affirmative Action exemplar and should monitor its prime sponsors to do likewise.

3. DOL should reduce and simplify its required paperwork.

4. DOL should stress working with CBOs, establish priorities for CBOs with community economic development goals, and develop a system of funding planning grants and start-up costs for CBOs.

5. DOL should continue to support the most effective demonstration programs such as YCCIP and supported work as well as continue to encourage the effective "umbrella" organizations such as MDRC, CCPV (VICI), Youthwork, etc.

6. DOL should work toward economic development linkages in all possible ways.

7. DOL should develop the means to enable prime sponsors to use some funds for community economic development priorities with multi-year funding for successful programs.

8. DOL should consider the possibility of funding some of the larger CBOs as if they were sponsors themselves.

State

1. DCCA is encouraged to continue and expand its efforts to expend the Governor's Discretionary Funds outside of the state bureaucracy.

2. The IMTI should work with CBO leaders in long-range planning and linking CETA with community economic development. A state university could be involved.

3. DCCA should be a broker in leadership knowledge development for CBO managers bringing together all interested parties to establish

partnerships, linkages, internships, curricula, etc. which could result in the establishment of a Neighborhood Leadership Institute, perhaps at a university.

4. DCCA should create and fund a Business Information Center Network similar to the BIC/NET in Massachusetts.

5. DCCA should encourage state PICs to study, adapt and use the Broward County model Be Your Own Boss Program.

6. DCCA should encourage existing CETA programs to develop job creation plans by offering small grants to "add-on" additional training, administration or supervision, technical assistance, market analysis, feasibility studies,etc. to enable the project to become self-sustaining. An Office of Job Creation in DCCA is needed.

7. DCCA should study the costs and benefits of small business capital formation programs in other states and recommend their adaptation in Illinois. A similar task force in Massachusetts resulted in that state's Community Development Finance Corporation, the MA. Product Development Corporation and the MA. Industrial Finance Corporation.

8. A longitudinal study of beginning, developing and mature CBOs should be undertaken in Illinois in order to analyze the factors, conditions and processes that undergird successful CBO evolution.

9. DCCA should study and adapt a program encouraging tax rebates for corporate giving to community economic development and neighborhood revitalization similar to Pennsylvania's Neighborhood Assistance Program.

10. DCCA should undertake to support the development of several CBO projects utilizing CETA to stimulate new businesses designed to become self-sustaining. This would require multi-year funding.

11. Since CETA project budgets for administration and supervision are so low, DCCA is encouraged to make administrative small grants available to CBOs by means of a "floating" planning and administrative fund. A substantial discretionary fund grant as investment capital could enable a series of small grants to be made annually. The investment might leverage additional funding.

12. DCCA should exert its influence with all prime sponsors to more closely involve CBOs in all aspects of CETA - planning, policy-making, council memberships, etc. Community economic development/CETA projects should be given priority.

13. DCCA should research and analyze the potential for expanding small business investment corporations (SBICs) and minority enterprise small business investment corporations (MESBICs) in Illinois, stressing community economic development and job creation.

14. DCCA should encourage "linked" projects and "umbrella" arrangements. There appears to be a better success rate when similar projects work

together and share experiences.

15. DCCA should explore the development of a Technology and Product Development Corporation to provide financial incentives to new technologies and products similar to what has been done in Connecticut, Massachusetts and New Jersey.

16. DCCA should explore the establishment of a Customized Manpower Development Corporation to aid training employees for industries expanding in or locating in Illinois. Similar programs exist in South Carolina and Hartford, Connecticut.

17. Illinois and Chicago should improve their programs of targeting contracting governmental goods and services with firms providing jobs for CETA eligibles.

Unless all officials at all levels deliberately encourage linking CETA with community economic development, job creation will continue to be an incidental, rather than a planned result of CETA.

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INTRODUCTION

TRUST, Inc., a non-profit urban-issue oriented policy study organization in Chicago, Illinois, has had a persistent and demonstrable interest in the problems of unemployment, jobs, neighborhood revitalization, etc.

As an outgrowth of TRUST's Jobs Committee study, which commenced in October, 1978, resulting in its report 1 / in August, 1980, the Illinois Department of Commerce and Community Affairs awarded TRUST an administrative contract for a study of CETA/Jobs Creation models. The eight and one half month (January 15, 1980 - September 30, 1980) study concentrated on field visits to model CETA projects in 14 cities outside Illinois as well as to projects in Chicago, Cook County and the "collar" counties of the Chicago Standard Metropolitan Statistical Area. An action research case study procedure was adopted by the two project staff members. An intensive literature search was immediately undertaken and continued throughout the project. Thus, the results of the study and its conclusions are a product of both the case study visits and recommendations derived from the literature of other organizations, agencies and researchers.

The goal of the study was to identify and evaluate the potential for developing urban CETA/Job Creation Programs in Illinois. Four specific objectives obtained:

1. To identify and list effective model CETA projects which support job creation, in particular, those for urban youth (ages 16-22).

2. To review the limitations and restrictions on the uses of CETA for community job creation.

3. To assess the effectiveness of exemplary CETA job creation models and to recommend how they could be transferred to Illinois from elsewhere and within Illinois where already in existence.

4. To organize a Community Program Advisory Council which would work with TRUST, DCCA, and prime sponsors to review the research findings and to assist in the dissemination and implementation of project recommendations.

These objectives have been accomplished as illustrated in this report and its supporting documents.

Initially, a Program Evaluation Review Technique (PERT) chart was developed covering the time span of the study, its goals and objectives, necessary sub-contracts and required products. In retrospect, there were

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1 / Michael Holzman, Developing Jobs and Neighborhoods Through Small Business Growth: Recommendations for Action, TRUST, Inc., August, 1980.

three distinct phases. First, an immersion phase when the staff studied CETA literature and research and sought advice on exemplary projects from those sources, prime sponsors, DCCA, knowledgeable leaders, consultants, professors, etc. Advice was also obtained from regional and federal offices of the Department of Labor, Department of Commerce, Housing and Urban Development and Community Services Administration. The second phase consisted of interviewing, field study and the development of case materials. The final phase involved analyzing, evaluating, and reporting. Reports of tentative findings were made to and feedback requested from DCCA staff, two committees of the Illinois Employment and Training Council, the TRUST Board of Directors and the project's Program Advisory Committee and its Working Task Force.

During the study the limitations of time, staff and money did not permit extensive time spent on any single outstanding project nor visitation to all of the projects and cities which were recommended by one source or another. It also became apparent rather early that the extensive CETA literature and research already available or currently being done, coupled with the flow of recommendations regarding CETA from numerous organizations, agencies, and individuals, would impact both the project and its resulting recommendations. This report then, in a very real sense, is the product of multiple inputs as well as case studies by the project staff.

Two subcontracts were executed. The Center for Neighborhood Technology developed a paper entitled Neighborhood Technology and Local Job Creation: Case Studies of Emerging Job Opportunities in Neighborhood Organizations Using CETA Funding to Support the Provision of Basic Human Needs. The Center for Education and Work of the National Manpower Institute analyzed the legal connections and constraints within federal legislation affecting real and potential linkage between CETA and agencies and programs outside the Department of Labor. The former has been largely incorporated into the Case Studies section of this report. The latter is appended to the Technical Assistance supplement to this report.

Special thanks go to all those CETA project personnel who so willingly and helpfully gave of their time and energy, their advice, criticisms, evaluations and experiences. They are listed in the Appendix. The Program Advisory Committee deserves thanks for sharing the project's progress and results during four meetings and its Working Task Force for an additional two meetings. They are also listed in the Appendix.

There are many fine, effective and successful CETA programs and personnel in the urban areas of the nation. We are grateful for the opportunity to visit with and to learn from some of them.

The products resulting from the project are this report, a brief Jobs Creation Manual with supporting bibliography and a brief Technical Assistance Manual with supporting bibliography and legal analysis.

CASE STUDIES

Based upon a literature search, other case studies and experts' advice, the project team developed a series of basic questions (see Appendix III). to guide their interviews when visiting project sites. Notes were taken, interviews were tape recorded when there was no objection, and materials were collected. After well over 200 pages of case material were written the case studies were selected, edited down and are presented in this section.

Finally, a simple outline of Background, Program Description and Issues was used.

Various attempts were made to develop an overall paradigm or matrix such as those used in other studies.

Nadeau's CETA and Private Sector Job Creation 2 / identified 9 strategies for linking CETA to private job creation and divided these into 3 categories.

"1. Employment Development--strategies emphasizing training and placement activities.

- Comprehensive employment and placement services--job creation and retention through well-organized training programs and good linkages to private sector employers.
- Customized training--tailoring a subsidized training program directly to the needs of specific employers as a means to attract and retain businesses.
- Targeted placement contracting--in exchange for federal and local subsidies and contracts a private firm agrees to hire a percentage of its work force from the CETA-eligible population.

2. Business development--strategies the retention and expansion of existing businesses and the start-up of new businesses.

- Small business counseling--providing management and financial counseling to existing and prospective small businesses in order to retain and expand small business employment opportunities.
- Venture development--assisting in the start-up and acquisition of job creating business.
- Cooperative development--using cooperatives as a means to provide business services, support and coordination to self-employed members.

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2 / E. G. Nadeau, CETA and Private Sector Job Creation, University of Wisconsin System Employment and Training Institute, Research Paper No. 2, June, 1980, pp. v-vi.

3. Community Development--strategies emphasizing the ability of communities to plan and implement development goals which balance local employment, business and service needs.

   - Physical upgrading and resource development--improving the natural and physical resources of a community to prepare the way for job creation projects.
   - Local capacity-building--assisting local communities to research and plan employment and economic development projects and to create a local organizational structure to carry out these projects.
   - Support institutions--providing technical and financial assistance, information-sharing networks and cooperative business services to local community organizations through multi-county and state support institutions."

CSR, Inc. 3 / has developed four conceptual models for CETA/economic development linked programs. They are characterized by the functions CETA served in the economic coalition.

1. The Income-Generating Model: CETA is used to support projects such as cooperatives which produce marketable goods or services.

2. The Infrastructure Model: CETA helps develop or establish resources and facilities to enhance local economies. Providing a CETA trained work force to construct an industrial park is an example of this model.

3. The Promotional Model: The availability of CETA services is used as an added incentive for industries and businesses to remain or locate in the area. For example, CETA training can equip CETA-eligible persons with the skills needed for the expansion or retention of local businesses.

4. The Economic Development Intermediary Model: CETA acts as an intermediary among those involved in researching, planning, coordinating and promoting economic development activities. This model is illustrated when CETA provides technical assistance to local governments that are searching for ways to bring more private sector jobs into their areas.

The Work in America Institute, Inc. 4 / conceived of five pilot-scale models in presenting 16 pilot-scale programs for local agencies to adopt and adapt. The five categories follow:

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3 / A. Lee Bruno and L. M. Wright, Jr., Rural Job-Creation - A Study of CETA Linkage with Economic Development, CSR, Inc., February, 1980 (Available from Department of Labor, Washington, D.C. 20213).

4 / Job Strategies for Urban Youth, Sixteen Pilot Programs for Action, Work in America Institute, Scarsdale, N.Y., 1979, p. 102.

1. Incentive Programs
2. New Enterprises
3. Successful Training and Placement Models
4. Making the Job Connection
5. Opportunities in the Public Sector

All the above models suit their own respective matrices. The projects we visited usually could be categorized under several headings. Our charge was to examine successful programs that might be replicable (when adapted locally) in Illinois. We looked for projects that linked youth, economic development (real or potential), local organizations, appropriate neighborhood technology, community improvement, and the like. The case studies demonstrate linkages, alternative technologies, leadership, leveraging, spin-offs, education, introduction to and doing real works, transitional employment, cottage industry and small and large organizations.

All the following case studies contain ideas, models, and procedures that are worthy of replication.

A. CETA Job Creation Program/Massachusetts Department of Manpower Development/Office of Special Projects/Community Development Unit

Background

With the 1978 CETA reauthorization Massachusetts implemented its Job Creation concept of using CETA public service employment (PSE) projects as vehicles to create self-sustaining projects and permanent jobs for participants. Primes and community organizations responded favorably. The new legislation enabled any "profits" made in PSE projects to be used in furthering the project and without the normal administrative percentage limitations. The Governor's 4% Discretionary Fund allocated $55,000 to award in Job Creation Program grants ranging from $10,000 to $20,000 to four already operating PSE projects.

"The CETA Job Creation Program provides potentially self-sustaining PSE projects with additional administrative monies which are not normally provided through CETA, but which are necessary to the development of new ventures. While project sponsors are required to spend most of their regular PSE funding for participant wages and fringe benefits, the additional funding from Job Creation Grants is intended solely for administrative expenses. These include, but are not limited to: additional supervision training or the costs of technical assistance (e.g., preparation of business plan/feasibility study, market study) necessary for the project's transition to a self-sustaining public service enterprises.

Why CETA Job Creation?

Three factors are particularly critical for any successful venture start-up:

- organizational, analytic and managerial skills;
- favorable market conditions in terms of both demand and supply factors; and
- access to sufficient capital.

Even when all three conditions exist, local organizations will find the going difficult; but without these conditions, successful venture start-up cannot occur. We view CETA as a resource available to local organizations that can impact favorably in at least two of the above three areas.

Access to Capital

While some ventures, such as an energy audit business, need less capital than others, most businesses need a substantial, primary source of capital for equipment and other major start-up costs. The difficulties in raising such capital are formidable, but CETA resources can make a difference in a couple of ways. The wages paid by CETA to people working in public service employment projects are in fact a very helpful subsidy if the project is trying to become self-sufficient. Further, program income generated by a CETA PSE project may now be retained if it is reinvested in the project.

Neither the wage subsidy nor retained program income, however, will carry a venture to self-sufficiency, and securing major financing for a project often takes a substantial amount of time. The ideal situation, then, would be one in which project operators identify the market and sources of capital for a venture while the project is CETA-funded, as a conscious first step in getting the venture off the ground. This is indeed the idea behind the CETA Job Creation Program.

Capacity-Building and Technical Assistance

The administrative monies available to project operators through CETA Job Creation can be used to augment their existing organizational, analytic and managerial skills. Various examples from the first round of CETA Job Creation grants illustrate the use of state funds to get technical assistance and capacity-building resources to local project operators. For instance, the Spanish American Union, Inc. is using Job Creation monies to hire a professional advertising person to train their CETA-funded advertising person, and to fund a market study as a first step in critically assessing whether or not the newspaper can make a go of it.

Department of Manpower Development staff also play an important technical assistance role in the Job Creation Program. They make the time to strategize about project design, respond to particular programmatic and regulatory questions, and connect project operators with other sources of funding and business-oriented assistance available from federal, state, local and private sources." 5 /

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5 / Commonwealth of Massachusetts, Department of Manpower Development, CETA Job Creation, Boston, Massachusetts, pp. 1-2.

Program Description

"Mayflower Community Child Care Services, Inc. in Plymouth received a Job Creation grant in support of its family day care system. Funded by both CETA and the Department of Public Welfare for Protective Services, Mayflower provides a comprehensive family day care for the children of working parents, including children with mild mental or physical handicaps.

The Job Creation grant supports the recruitment and training of welfare mothers as day care providers by funding a support staff for those providers, including two co-directors, a curriculum coordinator, a part-time nurse and a part-time social worker. This strategy was chosen to aid Mayflower in obtaining additional state service contracts and increasing its private clientele, thus helping it achieve self-sufficiency. The job creation impact of the Mayflower project is particularly great, as permanent jobs would result not only for the support staff, but for the day care providers as well.

The Living Poem Theater Workshop, Inc. in Greenfield is another recipient of a CETA Job Creation grant. During its initial nine-month Title VI project, Living Poem employed seven local artists as performers and workshop leaders. They provided theater classes three days a week in seven local schools, and on Saturdays for teens involved in an alcohol abuse program.

Under its CETA Job Creation grant, Living Poem established a five person Performing Arts Community Service Collaborative, retaining four of its seven CETA employees. The Collaborative presents "The Whale Project," an original participatory social studies project for children, to elementary school audiences; its members also conduct workshops in teen centers and nursing homes. The Job Creation grant funds an administrator to schedule workshops, handle publicity and acquire future funding for the Collaborative, functions that Living Poem identified as critical to the Collaborative's viability. The grant also funds the Collaborative's Technical Director and related supply and telephone costs.

The Spanish American Union, Inc. (SAU) in Springfield received a Job Creation grant in support of its CETA-funded bilingual newspaper, La Voz/ The Voice. Begun as a Title III YCCIP project, La Voz was continued under Title VI, employing six full-time staff. With a circulation of 5,000-7,000, the biweekly newspaper currently serves the inner-city Hispanic population of Springfield.

Because of the newspaper's role as a vehicle for communication within the Hispanic community and between the Hispanic and non-Hispanic communities in Springfield, SAU sought Job Creation funding to continue publication of La Voz. They identified two critical needs: a professional advertising person to train their CETA-funded advertising person, and a market study to determine the extent and nature of the market throughout the greater Springfield area. The Job Creation grant included funding for both those needs, as well as for the purchase of used office furniture.

In addition, the SAU sought technical assistance through the Massachusetts Community Economic Development Assistance Corporation(CEDAC) to supplement monies available through CETA Job Creation for the market study. CEDAC's Board of Directors subsequently approved the request for technical assistance by allocating $4,000 toward the market study; CEDAC staff is now identifying and retaining a consultant to design and perform the marketing research.

The Lawrence CETA Subgrantee of the Balance of State Prime Sponsor received a CETA Job Creation grant to begin the activities of the Lawrence Employment, Training, Service and Community Development Collaborative. The Collaborative is comprised of the Lawrence CETA Subgrantee, the Arlington Community Development Corporation (ACDC), and the Massachusetts Rehabilitation Commission; it is administering a housing rehabilitation supported work program, rehabilitating housing within the Arlington Neighborhood of Lawrence. Each component of the Collaborative operates under the administrative practices and procedures of its respective agency, department or corporation. As a single entity, the Collaborative is coordinated by the subgrantee PSE Projects Administration. The Collaborative structure is a preliminary step through which the CDC is exploring the feasibility of a rehabilitation venture.

Each Collaborative member contributes an essential element to the project: the CDC is using its Community Development Block Grant to acquire residential properties within the Arlington neighborhood; the CETA Subgrantee provides CETA workers to perform rehabilitation work on the properties; and the Massachusetts Rehabilitation Commission is contributing in-kind services to project participants. Once the rehabilitation work has been completed, the CDC will resell the properties to low-income residents of the Arlington neighborhood.

In its application for Job Creation funding, the Lawrence Subgrantee identified the need for additional supervision for the CETA rehabilitation crew and for skilled trade workers to complete the rehabilitation work performed by CETA participants. Their Job Creation grant funds these activities, as well as the purchase of small tools and equipment items." 6 /

Issues

DMD reported several problems in initiating the Massachusetts Job Creation Program. In retrospect, the RFP and grant awards were "too hastily done." Although technical assistance was rendered, in the view of one department staff member,all the projects "had difficulty initially because they had not developed sound business plans in advance."

Now, six months later, DMD reported little progress in two of the projects. One has had problems running well and the Job Creation grant was minimal. One ran well as far as service was concerned but there was not much job creation potential. It also had a minimal grant.

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6 / Op. cit., pp. 3-4.

However, the Mayflower non-profit corporation is "a viable enterprise." The two female leaders are excellent. They are getting contracts from the U. S. Department of Education. They made tentative arrangements for assistance with a New York business planning firm but the contract fell through. They have now applied to SBA's Small Business Institute to become a case study for students. Though viable, Mayflower still lacks an adequate business plan.

La Voz is reported as "promising." Their market study is completed and there appears to be good market potential. A new manager has been hired and a management consultant has been at work with the staff. Their business plan is not as far along as he would like.

DMD further commented that to do Job Creation requires one to have really good business consultants available. Since the quality is so variable time must be spent identifying the most capable and effective consultants. SBA can be consulted but DMD advised caution when using the Service Core of Retired Executives (SCORE).

Massachusetts has budgeted no Job Creation Program funds thus far for FY '81. Rather, funds are being concentrated on a rural economic development project with one of the Private Industrial Councils interested in economic development. Professionals can then be brought into a small region to assist in "packaging" for economic development. The Job Creation idea is also being supported in DMD's day care centers project.

"Small scale job creation is a very valid concept for use of the Governor's Discretionary Funds. But while 4% money is decreasing, our staff in the Office of Special Projects is decreasing as well." Above all, "Job Creation is a valuable thing to do as long as you focus on community services that there is a real need for, such as energy conservation, day care, etc. and where there exists a capable community organization."

B. Neighborhood Development Corporation of Jamaica Plain/ Tradewinds/ Neighborhood Energy Company/ Boston, Massachusetts

Background

In the 1960's the Ecumenical Social Action Committee of St. Andrew's Church in Jamaica Plain, a south side neighborhood of Boston, Massachusetts, provided social services to the community. The ESAC was a community action agency as well as a United Way agency. In 1976 the activist church group along with several other community groups sponsored a conference on establishing a community development corporation. A year later the Neighborhood Development Corporation (NDC) of Jamaica Plain came into being. Funding for a director and a secretary for NDC at St. Andrew's Church came from the ESAC United Way funds and local contributions were also sought and obtained. Membership is open to any resident of Jamaica Plain and the membership elect the 21 board members. Jamaica Plain is a racially mixed (Black: 8,000 - Hispanic: 12,000 - White: 25,000), low and middle income area undergoing change, deterioration and disinvestment. After studying the problems of high unemployment, blighted housing, vacant land and

inadequate playgrounds, the NDC board and staff settled on three basic tracks or goals for neighborhood stabilization: 1) to preserve and strengthen their residential neighborhoods; 2) to generate jobs for residents; and 3) to develop vacant land in the Southwest Corridor (an area cleared for a proposed Interstate 95 highway despite many neighborhood groups' complaints).

The ESAC also created a community real estate firm called Urban Edge which serves Jamaica Plain by renovating vacant housing.

Program Description

The NDC embarked upon the housing rehabilitation project first because of its carefully reasoned goals. It realized that the real estate market in Jamaica Plain was weak; no mortgages were being made and the private sector was wary about any development in the area. "Tradewinds", the first project, had two goals: to employ youth and to focus on housing rehabilitation. The 16 CETA slots were used to cycle in and out around 40 youth annually. Placement rates were quoted at 65% to 70% with the vast majority of trainees (85-90%) getting jobs in the private sector upon termination. "Tradewinds" eventually utilized 100 youth in pre-service training and orientation, training under supervision on-the-job, career counseling, job development and placement. It is a full-time program for unemployed dropouts, an afternoon program for those still in school plus a summer program. It involves female trainees as well. Funding has come from CETA, Neighborhood Youth Corps, Associated Foundations of Greater Boston and private charity. The board of NDC felt that the goal of immediately highly visible neighborhood improvement would have a major impact upon the Southwest Transportation Corridor. A Community Development Block Grant (CDBG) was utilized to handle over 125 rehab projects the past 2-1/2 years. "Tradewinds" expanded from housing rehab to various other aspects of environmental cleanup and management, to state and city contracts for parks, regional recreation, open space, etc. The end result is a renewed demand for housing in Jamaica Plain, costs have escalated and the area is beginning to be perceived as desirable. There is some worry about gentrification.

With Economic Development Administration (EDA) money work began on revitalizing the Hyde Square Business District (1978-1981).

Tradewinds rehabbed everything from porches to entire houses, especially for elderly and low-income homeowners. As it moved into energy conservation, the NDC planned a community energy conservation business "The Neighborhood Energy Audit and Retrofit Service"(NEAR) developed. Over the past two years of planning, the Neighborhood Energy Company came into being, with a planning grant from Massachusetts' Department of Community Affairs which enabled NDC to do a marketing study and to develop a business plan. The Technical Development Corporation (Boston) was subcontractor. A consultant (slated to become manager) was hired and an energy retrofit firm provided technical assistance. The company began in January, 1980 with a new manager and six employees. Business has been slow to pick up. The employees are among the best of former trainees of "Tradewinds" and OJT slots are available for future trainees.

The Neighborhood Energy Company is owned (51%) by NDC, (24%) by its employees, and (25%) by the Community Development Finance Corporation (CDFC). CDFC provided $25,000 in equity and $125,000 as a loan for 10 years at a staggered rate. CDFC is a quasi-governmental, state-funded organization which can provide high-risk community-based business ventures both debt and equity capital. The CDFC model is under study in several states.

Issues

NDC has an excellent community base of interested citizens and outstanding leadership. All concerned seem to be careful about rooting their programs directly to community developed goals. Programs begin on a small scale and are almost uniformly successful. An excellent English and Spanish Newsletter is published for a wide audience. Maintaining staff capacity to counsel and supervise has been a problem in the past. There was expressed concern over possible gentrification.

The jobs creation model is an excellent example of moving a training program into private business.

Nationally, and in Illinois, the need for expanding the many varieties of housing rehabilitation and energy conservation (weatherization) projects into ventures that create permanent jobs in neighborhoods holds good potential. NEC answers such a need. To be successful requires leadership, sound planning, good community organization and prior sound training for the CETA youth. In addition, NEC profited from its location. In Massachusetts, planning grants from the state and community development financing from CDFC are encouraged. Providing the opportunity for a high risk venture to evolve is an easier task when the state mechanisms and supportive policy exist. But the task is not easy in any event.

C. Peralta Service Corporation/ Spanish Speaking Unity Council, Oakland, California

Background

The Spanish Speaking Unity Council in Oakland, California applied for and received a national demonstration grant program for supported work in 1975. As a result, the Peralta Service Corporation was created as a tax exempt, non-profit organizaion.

The Supported Work Program was funded by the Ford Foundation and the federal agencies and departments of Labor, Commerce, Justice, Housing and Urban Development and Health, Education and Welfare. The Manpower Demonstration Research Corporation (MDRC) was created to administer and evaluate the 13 national demonstration programs.

MDRC and Peralta's goal is to increase the employability of 4 groups:

1. Ex-offenders
2. Ex-addicts
3. Welfare Women
4. Youth dropouts, ages 16-20

The transitional jobs at Peralta are graded as to stress and all employees start out in low-stress positions. Small work crews serve with peers in a variety of settings. Peralta runs a Union 76 service station, a day care center, and a packaging operation. Many employees are working for the first time in their lives and Peralta goes to great lengths to assure employees that they get successful opportunities to develop good work habits and a good history of employment.

Peralta has received funding from MDRC, the cities and counties of Oakland, Hayward and Alameda, the Regional Criminal Justice Planning Board and the State of California. Administrators at the prime sponsor called Peralta Service League the best project in the area.

Program Description

PSL has a variety of uniquenesses. Its leadership is outstanding and there is an easily observed warmth of human interaction at every level. Project personnel meet together frequently and regularly on established schedules. The best developed management by objectives (MBO) program observed anywhere is located at PSL.

All participants start out in assignments appropriate to their prior work experience, if any, and prior performance. Individuals are matched to productivity and stress levels. All are expected to succeed, to learn new skills and to gain confidence on the job. Attendance and punctuality are stressed. The ability to get along with others is encouraged and enhanced.

Work crews under supervision establish their own monthly, then weekly, objectives. Careful records are kept, in writing, in high visibility locations, of the weekly goals and the percentage of accomplishments of previous weekly and monthly objectives. Ratings are made weekly by actual data and supervisor evaluation. Tremendous pride was observed as participants explained the MBO process, their work group goals, and their team and individual accomplishments. Objectives, both individual and crew, are set not only for production but for attendance, punctuality and other traits. Successful achievements are celebrated at team parties, dinners, retreats, etc.

There is a striking use of polaroid pictures. Each member of each work crew has his/her picture on a wall chart. The caption for the picture is written by the employee. (A four or five year old boy in the day care center has his picture taken sweeping the steps and gives his name and adds, "I'm a worker too.") On the wall of PSL headquarters is a huge "Wall of Fame" - polaroid shots of graduates with their name and the job they got after leaving PSL.

Positive feedback is evident everywhere. . .secretary, clerk, counselor, supervisor, service station operator, director, day care aide, painter, etc.

PSL crews operate one of the 10 highest rated Union 76 stations in Northern California (the entire Union 76 Board had to meet to determine whether or not they would lease to PSL, a community-based corporation). The child-care center was rehabbed and equipped by work crews, is staffed by professionals and participants who take additional child-care training and serves 45 pre-schoolers. PSL operates a packaging business, 3 house painting crews, does landscaping, stove cleaning and repair, does ground maintenance for the Oakland Housing Authority and does light assembly work. The corporation has employees working as clerks, secretaries, assisting in hiring and job placement activities as well as janitorial and warehousing operations. An infant care center is to be constructed on a donated lot.

Issues

Because of the excellence of this program and its accomplishments PSL has been asked by the state of California to expand its model to Sacramento, the state capital, and to a site yet to be selected in Southern California.

The sharing and caring so evident at PSL results in remarkably high morale and success. Leadership is qualitatively superior. . .at all levels.

PSL is considering the possibility of establishing profit making subsidiaries.

The support system at work at PSL includes weekly bonuses for objective achievement, crew bonuses, quarterly evaluations and raises, milestone rewards, career exploration classes, paid bonus vacations, etc. Participants are employees, not "trainees".

"Corporation Day" a celebratory dinner and presentation, is held every six months. It developed because PSL was told when it started that it couldn't possibly last six months working with the groups it employed.

The Peralta model has been aided by the extra money from MDRC. One wonders how many other good CETA projects would be more highly successful with a few waivers and a little additional money for needed administration and supervision.

D. Broward VICI

Background

Replication of successful program elements is a hoped-for response to this study; and replication of a model community improvement program lies at the heart of the VICI Projects.

VICI stands for Ventures in Community Improvement; a group of similar demonstration projects operating under the impetus of the Corporation for

Public/Private Ventures (CPPV) which, itself, was created in the fall of 1977 by the Ford Foundation and the Department of Labor's Office of Youth Programs.

The objective of the VICI Demonstration Projects, operating in several cities, is the replication of a program based on the Emergency Home Repair Project which originated in Portland, Oregon. This program emphasized close working ties between community development, manpower, education, organized labor, youth referral groups and local government as a method to ensure the program's success as a basis for mounting community improvement projects employing young workers.

Program Description

In Broward County, Florida (Ft. Lauderdale), a VICI Project operates in conjunction with the Broward Employment and Training Administration (BETA), which provides CETA slots and administrative support, and local trade unions. It should be noted that each community selects its unions and they help work out the particular program. Originally, the Broward County VICI Project worked closely with the Ft. Lauderdale Housing Authority which served as the work provider. There was a change and the VICI teams are now operating on a project-by-project contractual basis rather than as employees of a large government body. The chief benefit of working in this manner is that the regularity of work, decisions, materials, a greater variety of work experiences and greater community exposure is provided in a much speedier and clear-cut manner. At the time of our visit, the youth, under the supervision of journeymen carpenters and painters, were painting the local YMCA, constructing a new bird sanctuary for the county and engaged in construction and painting work for Goodwill Industries.

The Broward VICI currently has 58 youths, ages 16 to 19, in the program. A total of 223 youths have gone through the program in its 18 months of operations with about 42 lacking a high school diploma. GED classes, in the youths' own neighborhoods, have been made available. 18% of the enrollees are women and a good number of the youths are ex-offenders. There are 4 painting crews, 2 carpentry crews, 1 masonry crew and 1 plumbing crew. Two additional grants, from other sources, provide support for the program in their work with ex-offenders and to help with the transportation issue; a major problem in Broward County where sufficient public transportation is lacking.

Issues

The overall VICI placement goal is 75% per sponsor/site with Broward VICI very close to that level. The total Broward grant comes to $964,000 with the resultant cost per youth, obviously, very high. This is seen as justified due to the high degree of quality supervision (1 experienced journeyman per 6 youths) which it is felt is needed to make the project work.

In fact, throughout the visit, the value of both the formal and informal roles played by the journeymen/supervisors seemed incalculable. These men were all union journeymen, each with over 20 years of experience. The youth know from the start that they are being supervised by professionals who have been successful at what they are teaching. The journeymen

are proud of their work, and with the work itself the focus of the effort, there is a readily apparent no-nonsense aura present at each of the work sites. The journeymen are tough, firm, fair and interested in the reality of the work assignment and in what kinds of skills are needed for the youth to become successful in the trades being taught. They, as section heads, provide immediate counseling and support services; much as it would be provided in a regular work situation. They are also helpful when it comes time to study for the apprenticeship tests and for program enrollees to search for regular jobs. They appear quite willing to use their contacts. In effect, they are the backbone of the program.

In addition, they are motivated by the inescapable, but mundane realities of the particular local economic situation. The Ft. Lauderdale area is in the midst of a construction boom. There is a demand for construction and trades people and the youth served by the VICI Project are not perceived as a threat. There is enough work for all and this bodes well for the future of the enrollees. On the other hand, the area does not have a strong union tradition. While the journeymen working with BETA are union people, the majority of the area's construction projects are using non-union help. The VICI Projects, thus, enables the unions to work closely with potential members while they are under VICI supervision and in the apprenticeship programs that are expected to follow.

Herein lies a key problem area with the VICI Project and with many of the programs we visited. There is a lack of any clear-cut pathways between the training program and some semblance of permanent employment. For example, one of the requirements of the VICI Programs is that unions get involved and that some kind of apprenticeship program is to follow. The unions have been most cooperative during the early stages where the local government body, the local VICI Project, and CPPV are very much involved with the funding and supervision. It is when the youth complete the program and begin to compete in the apprenticeship programs and in the job market that the realities of the local situation must be faced. There may not be enough work in some cities. The competition may be keen. The element of racism may be present. Thus, a chance to just compete for a career is sufficient in some locations, more in the way of guarantees may be needed in others.

The question of replication of a successful program was, itself, an issue that the visit to Broward VICI brought to life. In speaking to BETA, VICI and CPPV staff, several key points emerged. The most obvious is that local factors, even between neighborhoods in the same city,are such that each program will be by necessity, different. With proper leadership and motivation playing such important roles, the personalities and professional attributes of all the people involved will affect the projects greatly. Moreover, how each project handles the bureaucracy in its own locale will also be a key deciding factor in the program's success. The people at Broward VICI noted how many different levels of approval and how much paperwork is needed and how many people are involved in just getting the program off the drawing board. A strong-minded, influential, coordinator to "push the right kinds of buttons and get everything rolling" seems essential.

In addition, there is an unfortunate need to play down the involvement of CETA. CETA has a poor reputation in most communities and in Broward they felt that they were helped by the fact that the youth involved were identified more as VICI Project workers rather than as CETA workers. This, in turn, pointed up other issues. Being a national demonstration program, with all kinds of special support features, the fact remains that this would not be a program that BETA would be able to mount on its own. The costs would be too high. In addition, being a national research and development program, placement goals and national implications tended toward the general with 75 placements per city as the nationwide goal. More specific goals tied to local conditions might be more realistic and more beneficial.

In discussing local conditions, the people concerned eventually came back to two main factors: getting the "right" people and the "right" unions involved. They felt that projects like VICI can go in any city if the right elements agree. They need people, unions and otherwise, who are forceful and who are committed to doing something for the people in the community and their city as a whole.

E. Citizens Policy Center/ Open Road/ New Enterprises

Background

The Citizens Policy Center in San Francisco, California is a non-profit corporation concerned with the problems faced by youth (ages 16-24) in the transition from protracted adolescence to productive and self-sufficient adulthood. Incorporated in 1975, the CPC has set up Open Road's four primary projects: New Enterprises, New Jobs, Youth Action Network and Issues Research.

Open Road/New Enterprises, in cooperation with the Corporation for Public/Private Ventures (CPPV, Philadelphia, Pennsylvania) has operated as a statewide program with auto repair shops in California - San Francisco, Oakland, Santa Barbara, Oxnard-Ventura, Los Angeles and San Diego. With CPPV, a project was begun in Hartford, Connecticut and at the time of visit, a boat repair shop in Nassau County, New York was underway and plans were being made to begin projects in Indianapolis, Indiana and possibly Chicago, Illinois.

Extensively monitored and evaluated by CPPV, 7 / the Open Road/New Enterprises model of youth entrepreneurship is highly replicable for job creation. CPC intends to establish the model in multiple communities elsewhere, introduce the other Open Road projects as well, carefully evaluate and offer technical assistance on team bases.

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7 / Youth Entrepreneurship Initiative Research and Evaluation Interim Report Number 2, Corporation for Public/Private Ventures, 1726 Cherry Street, Philadelphia, Pennsylvania.

Program Description

OR/NE creates new apprentice-level training and work options for unemployed youth by establishing and operating small businesses. The enterprises, which are all automobile repair shops, can provide the opportunities for CETA youth in groups of ten to develop needed and highly marketable skills under master mechanics and managers. As training is incorporated as an integral part of doing business, the projects show how small businesses can economically assume a responsible role in career training for unemployed youth.

In setting up the auto repair shops for training OR/NE was guided by the CPC analysis that: 1) many in the business sector feel that the schools bear relatively sole responsibility for educating and that training and profit don't mix; 2) rigid practices and policies, negative attitudes, complex procedures and a lack of training expertise in many businesses inhibits the development of a really workable training environment; and 3) a decline in the number of small businesses has eliminated many apprentice-level opportunities where quality work experiences and training once existed. Coupled with the fact that DOL projected a minimum of 24,400 annual openings for trained mechanics, the OR/NE response was to reestablish the apprentice model and demonstrate viable ways for small businesses to acquire skilled workers without total reliance on continued public or private subsidies.

Initially, 8 auto repair businesses were established. 7 have succeeded. The average shop needs 6,500 square feet and can serve 15-20 trainees. During 1979, 82% of the trainees received permanent placement. When trainees are placed elsewhere trainee slots continue to be available for new trainees.

In order to develop, CPC established New Enterprises Program, Inc. as a wholly owned profit-making corporation. NEP, Inc. established the repair shops. A feature of the program is CPC's and NEP, Inc.'s determination to expand profit-sharing and ownership opportunities both for their managers and trainee-employees. Thus the surviving 7 shops are being sold as separate businesses with ownership going to managers and employees. Some are solely owned and some are partnerships of those that have supervised or have worked in the shop. Thus, NEP encourages both training and economic development.

NEP is also concerned with providing management training opportunities for youth apprentices who have developed skills and interest. They are exploring centralizing and consolidating expertise and services to the individual businesses providing economies of scale. Using the geographical (southern California; Hartford, Connecticut; etc.) networking concept for future development takes advantage of staff technical expertise, sharing resources and gaining the benefits of a common managerial system. The objective is that the networks can eventually pay a management fee for supportive services.

NEP, Inc. is concerned about expanding to new enterprises and shifting its emphasis to management services and developing as a technical assistance corporation to help others start-up CETA projects for economic development and jobs creation. They stress private sector investment and involvement and feel that a community group must be involved in advance for planning, fundraising for equipment and tools and as assistance for placement. They stated that CETA projects for youth entrepreneurship must join public and private expertise and financial support. They were unable to get the Small Business Administration to assist any of their projects despite repeated requests.

During the project visit NEP was developing a technical assistance schedule and a training manual relating to the subject of how to start a business. . .an entrepreneurship guide.

NEP has numerous plans for the future. Seattle, Baltimore and Long Island communities have requested assistance and private corporations such as Bank America, Hewlett Packard, UCB and Weyerhauser Paper have been working with NEP both in terms of assistance and possible investment.

Issues

NEP stresses careful planning and marketing. They found the initial 6 month training sequence was insufficient and now require 12 months and even then, some can become skillful and adept and others cannot. CETA should have the built-in flexibility to allow for such individual differences and variable programs.

They reported problems in getting SBA assistance. They have developed more explicit classroom training plans to encourage productive skills earlier so the skilled mechanic/supervisor doesn't lose as much job time teaching "at his elbow."

The CPPV evaluation addresses the question of replicability favorably. 7 out of 8 of the shops have succeeded, training is functioning and trainee satisfaction is high; over 70% of the trainees have obtained jobs of which 64% are in the auto repair industry. The network concept is working - at least in southern California - and other communities and corporations have expressed interest in the NEP model. Furthermore, the formal organization and operational structure are being refined and the businesses are developing outside funding as well as generating income.

"Replication, however, depends upon a number of critical factors which OR/NEP has developed and implemented. These include:

- selecting a business which produces goods or services for which there is a demand - i.e., selecting a growth industry;

- selecting business operation sites, new or existing businesses, based on a standard, sound market analysis;

- selecting enterprise managers who "know the business", as well as the locale where the business will operate;

- selecting managers and trainers who understand their dual role - to develop a business and train disadvantaged youth;

- the ability to "market the program;" that is, attract investors;

- developing a comprehensive management, operations, and training structure for the overall business(es);

- having a formal and flexible training program in place - one which is capable of absorbing all of the complaints and problems of staff at every level;

- the ability of the business operation to show an income growth curve in as short a time frame as possible;

- the ability to provide real skills and to place the youth in "upwardly mobile" jobs (and to make certain that the trainees know the benefits that they are going to enjoy because of the training);

- the ability to provide incentives at every level of the business, e.g., ownership potential;

- the ability to recognize that training and profit making is an issue, and to take steps to resolve that issue on a continuing basis;

- most probably there are additional factors which are less evident, e.g., personalities at top management, employee selection, etc. But the critical elements of the model have been identified and they appear to be fully transportable; that is, the elements of the OR/NEP model can be transferred geographically and programmatically.

If the NEP cost factors - required capitalization, actual cost of training, ability to reach and maintain breakeven - fit into the model in a positive way, then the replicability potential of the model is, of course, on solid foundation." 8 /

The preceding OR/NE case study illustrates an effective approach to job creation and economic development in an area of need. The following program description reported verbatim, although not visited by the project team, is included because it represents another, longer-standing approach to the same need and illustrates the combined power of private industry linkage with non-profit organizations.

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8 / Op. cit., pp. VI 3-4.

F. Allstate/Opportunities Industrialization Centers 9 /

Program Description

"Detroit's New Cars Aggravate Shortage of Trained Auto Body Repairers

After waiting three months for your new fuel-efficient American car, you promptly run it into a concrete signpost at the local supermarket. The body damage appears to be slight, but the blow has knocked the car out of alignment. You expect your insurance company to pay most of the tab - it looks like about $1,000 - to put the car back in showroom condition.

Instead, you're told the car can't be repaired - it's totalled.

'It's happening more and more,' says Arthur Mertz, president of the National Association of Independent Insurers. 'The frequency with which new cars are showing up in junk yards or being sold for salvage is way out of proportion to their numbers on the road.'

Industry experts say auto makers, under pressure to produce fuel-efficient cars, have introduced revolutionary changes in design overnight. Repairers have been unable to keep up with them.

'The unicoupe construction of models like the Citation, K-body, and J-body cars requires its own technology,' Mertz says.

'If you threw the alignment out on an older car, the repair shop would just remove the body and straighten out the frame. Unicoupes have no frame - throw them out of alignment and the entire car must be molded back into shape using a very expensive and sensitive new piece of equipment - a jig assembly that very few shops now have.'

The cars are built with special body fenders that help bear weight, and use new types of plastics extensively. Fixing them requires a whole new education.

Poor Communication

The National Association of Independent Insurers estimates that 37,000 of the 50,000 independent body shops in the country have just one or two employees. Few have the money or access to training they need to keep up with changes in the industry. New car dealers are kept informed by the manufacturers, but communication with most independents is poor.

The difficulty with repairing new cars aggravates the shortage of trained auto body repair workers that goes back a decade or more.

'For some years now, there's been no new blood coming in. Older people are not being replaced as they retire,' says Arthur Albright, urban affairs manager at Allstate Insurance Company, the nation's second largest auto

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9 / Private Sector Initiative Program, PSIP Clearinghouse-Showcase, Vol. 1, No. 11, September, 1980, National Alliance of Business, Washington, D. C., p. 3.

insurer.

Albright believes that less emphasis has been placed on skilled trades in general during the past decade, while increasing numbers of people pursued college degrees.

'Despite the good pay, people just aren't going in for dirty jobs like auto repair.'

Solving the Problem

Allstate saw the shortage nearly a decade ago, and asked a nationwide non-profit training organization - Opportunities Industrialization Centers of America (OIC) - to begin training the disadvantaged to repair cars.

'It's a unique set-up,' says Elton Jolly, executive director of OIC. 'It started back in 1972 when Allstate appraoched our OIC in Chicago with the idea to help ease the shortage of auto body workers in that area.'

Allstate developed a 26-week curriculum that included welding, sheet metal repair, refinishing, parts replacement, frame correction, and estimate preparation. The company donated equipment, and provided an instructor and financial support for a year.

After the first year, the center continued with funds supplied under Title II-B of the Comprehensive Employment and Training Act.

Based on the success in Chicago, Allstate and OIC have since set up schools in Atlanta, Boston, Detroit, Seattle, Los Angeles, and Portland, Oregon. These schools continue to operate either independently or with CETA funds.

To expand the program more rapidly, Allstate has encouraged other companies to become involved. A number of local body shops and the Orange County Manpower office joined Allstate in funding an eighth training center, opened last year in Santa Ana, California. Another center opened in Washington, D. C., this year, financed by Allstate, the D. C. government, and Geico Insurance Company.

'We were spending around $80,000 a year on each of these programs. By getting other companies involved, we can get that down to $20,000 and maybe support four at a time,' Albright says.

Nearly a thousand students have been trained and placed in apprenticeships slots since the program began in 1972.

Albright says that graduates make between $13,000 and $15,000 a year as beginning apprentices, and up to $30,000 when they are qualified as journeymen, usually after four years. Salaries will become even more attractive, he says, if the shortage persists.

'People in this field will really be able to call the shots,' says Independent Insurers' Mertz. 'It's the old story of supply and demand. If you want to have something repaired, you'll have to pay the price."

G. The East Los Angeles Community Union/Los Angeles, California

Background

Founded in 1968 as the East Los Angeles Labor Action Council by the United Auto Workers and 12 other unions, the council followed the union concept of organizing the community by locals. There was considerable lack of community trust for some time in the East Los Angeles community of over 100,000 persons, over 90% of whom are Spanish speaking. In the greater surrounding area of over 500,000 persons there are about 100,000 Hispanics centered in East Los Angeles. The East Los Angeles City Terrace was the first housing project as the council began to organize to promote the interests and satisfy the needs of the community. Social services and community advocacy began. The early board was comprised of 13 labor union leaders but as the Council gained access to OEO funding in 1971 it broadened its board to include more community representation and in 1974, it became The East Los Angeles Community Union (TELACU), a community development corporation. There are now 50 persons on the TELACU board, 8 of whom are elected from community organizations and 7 of whom are designated "at large" and are selected by community organizations. The board includes public leaders, accountants, bankers, lawyers, community representatives, union representatives, etc.

Throughout its history TELACU has had major goals in employment development, community economic development, and community rehabilitation.

Program Description

The current size and complexity of TELACU can only be likened to a large, diverse corporation. It is probably the largest community-based organization in the nation. With annual budgets in the range of $125,000,000 to $140,000,000 and over 3,000 employees including every variety of CETA trainee, TELACU has developed 20 for-profit subsidiaries and 8 major activity areas. It functions through 4 major divisions.

Finance Division - This division handles all of TELACU's profit-making and non-profit-making enterprise's accounting and finance needs. By subcontracting for all accounting needs the Finance Division recaptures for TELACU all those dollars that elsewhere frequently go to "outside" accountant firms.

TELACU Industries, Inc. - As a profit-making subsidiary, TELACU Industries, Inc. encompasses the Investment Company, the Travel Agency, Vencap, Inc., the Currency Exchange, the Development Corporation, First Southwest Capital, Inc., the Inter-American Entertainment Co., Ltd., the Management Services, Inc., the Community Credit Corporation, the Eastland Leasing Co., the Community Mortgage Corporation, and the TELACU Industrial Park, Inc. In planning are the Eastland Savings and Loan, the Insurance Co., the Eastlawn Corp., the Community Home Loan Co., and the Community Escrow Company.

The TELACU Industrial Park is on a 46 acre site in East Los Angeles where B. F. Goodrich abandoned a tire plant. TELACU bought the site, demolished unusable construction and rehabilitated the remainder with CETA crews. Labor intensive light manufacturing tenants were sought and obtained. B. F. Goodrich leased two of the buildings. Large and small spaces are available. TELACU is now planning to construct a five-story office building and to develop the remainder of the site under their subsidiaries TELACU Ventures, Inc. (a non-profit subsidiary) and Inner-City construction (a profit-making subsidiary). Eight more acres to the west were purchased and plans have been made for a hotel to be built with HUD funds on that site.

The Industrial Park searches for new growing business which can hopefully expand. Its goal is 2,000 new jobs. An arts material manufacturer was the Park's first tenant and of the 300 employees about 100 were CETA eligibles who were referred through TELACU's Urban Division. One half of those were OJT participants.

The Park contains the Atlas Aquarium Factory which is owned by TELACU. Many of its 75 employees came from the Urban Division. Atlas now has production factories in Dallas and San Diego as well and it is now the largest producer of aquaria in the United States.

At one point TELACU bought an old building with 2-1/2 million bricks and sold them at a 26¢ a piece profit which went to the Senior Citizens Transportation Program.

No placement of CETA eligible contracts was reported either with the Industrial Park or its tenants. The Urban Development Division encourages the placements but there is apparently no agreed upon job creation quota or policy.

Community Development Division - This division includes the Family Health Center, Planning and Research, Community Research and the Business Development Center.

The Community Research Group and its Health Research, Technical Assistance, Design Studio, Urban Programs and planned International Products and Rural Programs Sections are all profit-making subsidiaries. They do contract work with Mexico City as well.

The Planning and Research unit includes Commercial Development, Housing Development, Economic Planning, Lincoln Heights Commercial Development, and Whittier Boulevard. Commercial Development and the EDA Planning Grant are non-profit.

The Business Development Center is funded by the U. S. Departments of Commerce and Transportation. Its 18 member staff provides financial counseling, management services, technical assistance, procurement assistance and business education services. Funded for the past 8 years, the Center last year served 1,264 small businesses aiding them in increasing sales by $12 million and gaining another $9 million in financing. The DOT's Local Outreach Center aids minority firms in areas related to transportation.

H. Watts Labor Community Action Committee/Los Angeles, California

Background

Another of the largest community-based organizations in the nation is the Watts Labor Community Action Committee (WLCAC). Founded in 1965 by the United Auto Workers Union - as was TELACU - WLCAC is governed by a board of 15 members elected from its membership which is open to all residents of the Los Angeles South Central Area (Watts, Green Meadows, Avalon-Central, Willowbrook and Florence-Graham). WLCAC has maintained close relationships with 18 unions since its inception.

The area served by WLCAC has a population in excess of a third of a million people of which around 85% are Black and 15% Hispanic. The area unemployment rate is almost twice as high as the city of Los Angeles and the median income is low with around one-fourth of the families having incomes below the poverty level. The high schools' drop-out rate goes as high as 50% and of those youth who graduate, significantly less than 25% are in skilled blue collar jobs or professional white collar jobs.

The original basic purpose of WLCAC was to beautify Watts transforming the community into a place where anyone of any background or lifestyle would want to live, and to fire up pride and self-respect among its people.

From 5 people and a budget of $5.00 WLCAC has grown to an organization of several thousand persons (including trainees) and annual budgets around $15 million. Its organizational structure has 4 administrative units, 9 social service units, 12 employment and training units, 5 job sites in its Economic Development division, and 6 units in its housing division.

Since its inception, WLCAC has had one president. . . Ted Watkins, the human dynamo.

Program Description

WLCAC's programs are complex, multiple and range from child care for 60 children to senior citizens' meal services for several thousand. A consistent effort exists to beautify Watts. Over 12,000 trees have been planted, all rubble has been removed, vest pocket parks and tot playgrounds have replaced empty lots, plantings and gardens are frequently observed. At one time WLCAC ran its own farm and also ran 7 supermarkets. The markets were a losing venture and WLCAC now has one market left which serves as a merchandise center stocking dry and canned foodstuffs, necessary clothing, etc. Located on the 7 acre site the exterior of the store has a series of open air stalls where residents can buy and sell their own products - food, vegetables, clothing, arts and crafts, etc. WLCAC still farms by growing vegetables in a wide 2 mile long strip of land under the high power electrical wire lines running through Watts. CETA crews do the farming. The high fences discourage pilferage. The market site also houses most of WLCAC's vehicles, construction equipment and several million dollars of materials. It is the lumber yard, bus depot and tree farm as well.

Urban Development Division - This division is the non-profit employment and training area of TELACU and its budget of around $8 million is largely but not exclusively CETA funded. Every available CETA title is utilized with both city and county prime sponsorship. About 20 funded projects were currently operating. Senior citizen services and those for the handicapped exist. Transportation and food services are extensive. Youth programs stress basic work experience. With one-stop city and county employment offices and multiple training programs TELACU places several thousand persons per year. Most of the CETA programs are centered at the newly rehabilitated Esteban Torres Institute of Career and Urban Development. Trainees built the offices and classrooms and the building houses the wood manufacturing and furniture refinishing operations.

All CETA programs require about 20% classroom training. Overall, TELACU runs a retention rate of approximately 75% in their training programs and a positive placement rate of approximately 70%.

Projects involve weatherization, rehabilitation, construction, woodworking, production of sandals, then skateboards, then furniture, landscaping, beautification, security, transportation, health services, food services, painting and art work, etc.

Many CETA trainees are subsequently employed by TELACU in its profit or non-profit subsidiaries. The CETA job developers, mostly former trainees, do an excellent job in aiding small businesses to use OJT successfully.

Issues

This brief description does not do justice to the commitment, energy, ability, leadership and accomplishments of TELACU. Any one of a number of outstanding projects or programs could be described extensively. Yet the complexity of this large community-based organization is apparent.

Again, the quality of TELACU's leadership at all levels is outstanding. Its founder serves as the President's Special Assistant on Hispanic Affairs after being an Ambassador to UNESCO. TELACU's officers serve on influential national, state and local commissions and committees.

As a community economic developer, banker, builder, etc. TELACU succeeds remarkably well. As far as jobs creation is concerned, TELACU and its employment services on the one hand and aid to community small business on the other enables CETA eligibles to move into permanent jobs. TELACU's Industrial Park has created and will create many jobs. TELACU's own profit-making and non-profit subsidiaries employ many CETA "graduates".

Many aspects of TELACU's operations are potentially exportable.

While complaints about CETA paperwork and shifting changing forms and rules were evident, the ability of TELACU to use CETA effectively for the betterment of the community and the improvement of both its economic setting and the quality of life is apparent.

Providing and maintaining housing has been a major goal and activity for years. Many of the homes vacated for the Century Freeway and many houses near the Los Angeles Airport have been moved into empty lots in and around Watts, completely rehabilitated and sold or rented to residents. Displaced families were relocated. All varieties of HUD programs have been utilized. New construction projects of both multiple family units and single family dwellings have been built, are under construction and are being planned. The McCoy Plaza of 50 units, each of which was moved into Watts, were all condemned houses purchased by WLCAC. CETA crews rehabilitated all units, they maintain the interiors and exteriors, have done all the landscaping, and help welfare mothers and senior citizen residents fix leaky faucets, correct faulty wiring, etc. There is great pride taken in the housing WLCAC has developed. The residents, the staff of WLCAC, and the CETA youth are justifiably proud of their accomplishments and the beautification of every housing area. After visiting each project one is struck by the beauty on the one hand and the absolute absence of refuse or graffiti on the other.

CETA programs exist for in-school youth, out-of-school youth, YETP, city and county PSE, HUD's YCCIP, WIN CETA I Bank Teller training and city SPEDY and county YEP. The YCCIP program, for example, employed 457 youth to construct and renovate 71 low-income housing units while the youth learned painting, plumbing, electrical wiring, heavy equipment operation, carpentry, masonry, roofing and floor installation - all under union supervisors.

The planned Innovative Youth Training Program for out-of-school youth emphasizing training in construction-related manufacturing (glass and screen cutting and framing, finished carpentry, cabinetry, etc.) was intended to lead to the development of a subsidized, then unsubsidized construction supply subsidiary operated by former participants.

Emphasis in all manpower programs is on work experience, job development and job placement. Placement rates are generally high - 78% for in-school youth, 90% for Bank Teller participants, for examples.

WLCAC operates a Mobil station with CETA crews. It is the largest volume pumper in the city. Formerly, WLCAC ran two stations but one had to be closed during the last gas shortage since its volume was cut to a percentage based on previous year's ownership rates.

Three different transportation systems, a house moving subsidiary, a restaurant, the senior citizens center, multiple senior citizens meal programs, etc. are among WLCAC's activities.

Unlike, TELACU, WLCAC decided some time ago to change its profit-making subsidiaries to non-profit entities across-the-board. Thus all units of WLCAC are now not-for-profit. The board and the leadership feel that the organization's goals can be accomplished just as well and with more flexibility operating in the non-profit mode.

Issues

WLCAC is accomplishing its purposes remarkably well. Despite some non-successes like the supermarkets, the employment and training services, social services, and housing and economic developments are successful.

Dynamic leadership is in evidence; community pride is observable. The contrast in Watts between the time of the riots and today can be likened to a bombed city in Europe after World War II and today. WLCAC is largely responsible.

Persistent paperwork problems were cited. For two years the city prime sponsor has argued with WLCAC about paying union supervisors with the result, according to WLCAC, that the program proposed has had to be altered so radically to conform that it no longer resembles what was originally intended.

WLCAC also serves other neighborhood organizations with technical assistance, seminars, etc.

I. Banana Kelly Community Improvement Association/ Bronx Frontier Development Corporation

Background

Mention the South Bronx, New York city, to most passing urbanologists and chances are that you will soon be hearing phrases like "bombed-out buildings, empty lots strewn with garbage, rats, fires, drug addicts, lots of unemployed" and anything else that describes an area that has come to symbolize, the degree of truth notwithstanding, the worst aspects of our large cities.

Current census figures are not yet available, but it is a pretty safe guess that the neighborhoods that comprise the South Bronx will still be up there when unsolved homicide rates, high school drop-out rates, drug addiction rates, jobless rates and the other indicators of urban problems are tabulated.

It is a depressing area in which to live and to visit - except for the people who live there and want to make it work. It is also an area in which many good people and good community groups are starting from where the people are at and showing that, with some imaginative leadership and the resources at hand, a strong start toward revitalization is possible. Bronx Frontier Development Corporation and Banana Kelly Improvement Association are two of these groups.

Program Description

Bronx Frontier Development Corporation is a non-profit organization working for the redevelopment of the South Bronx. It seeks to serve as a catalyst for change by demonstrating creative applications of new alternative technologies, open space development, recycling, and on-the-job training.

A major activity is composting. Located near one of the largest sources of vegetable waste in the country, the Hunt's Point Produce Market and Fruit Auction, Bronx Frontier trucks vegetable wastes from the market, combines this waste with leaves carted in from New Rochelle, New York and on its 3.7 acre "ranch" hard by the skyline of Manhattan, composts it all and currently donates the finished product to community groups to "green" the abandoned, rubble-filled lots that dot the neighborhood. Their basic philosophy is simple. Urban decay has left the South Bronx pock-marked with abandoned building and empty lots. Before you can get people to come in and work, you have to improve the esthetics. Other agencies are involved in bringing industry in so Bronx Frontier feels it will be a lot easier if the neighborhood did not look like a garbage dump. Greening, and the profitable use of local wastes, is their starting point.

The Banana Kelly Community Improvement Association deals in sweat, of the "sweat equity" variety. Under "sweat equity " community people voluntarily rehabilitated a building that has been abandoned and turned over to their organization. In the early days, rehab often began before title to the building was passed. The building is gutted and a value is assigned for the work that is done. The volunteers work on the building as a whole with other workers, but in their spare time they work on their own apartments while continuing to earn equity in the building. This helps improve the housing stock in the neighborhood. Through the rehab process the community resident/homesteader develops job skills which work towards co-op ownership. As a result, the foundation for a more self-sufficient community develops.

Issues

The massive deterioration that has overtaken much of the South Bronx has, in itself, provided a starting point for groups such as Banana Kelly and Bronx Frontier. It is the many, many blocks of abandoned and burnt-out buildings and rubble-strewn lots that strike the eyes and memory of the visitor to the area. It is these same buildings and lots that are serving Bronx Frontier and Banana Kelly, along with their leaders and supporters, as the backbone of their efforts.

Bronx Frontier not only seeks to "green" the abandoned lots through their compost operation, but they plan to use the rubble and brick for paving materials and fireplaces; and to turn some of the lots into nurseries to grow and sell trees and flowers for plants and gardens on a for-profit basis.

Banana Kelly, named for the five block long curved like a banana Kelly Street upon which they are located, is using the existing housing stock and surrounding lots as they rehab the buildings, train people in rehab skills, clean up the area and utilize the wastes while planting their own crops as well.

Both groups work closely with each other; and with like-minded operations. Both have strong, individual, involved personal leadership. Both groups exhibit a sound awareness of CETA, and not only see it as

a tool to be used in conjunction with other programs, but also seem wary of too much CETA and too much government funding too soon. They wish to grow slowly by centralizing rather than by expanding. Both groups wish to stay close to their organization's goals and not let the possible availability of funds from a myriad of government sources serve as the determining factor in their planned operations.

Both programs see a strong need for CETA, but use it in limited ways. Bronx Frontier uses CETA people as part of their efforts to develop and to move to some sort of a for-profit status. They feel that in neighborhoods with needs such as the South Bronx, CETA helps non-profit agencies start from scratch, but it will take these same agencies a good deal of time before they can provide a great number of permanent jobs. The new technology, itself, does not currently create that many jobs. While Bronx Frontier has hired about 8 people who originally came to them through CETA, they prefer to utilize CETA people who are placed with them, but are on the payrolls of other agencies. It saves on expenses. They feel bogged-down by the CETA paperwork, the lack of overhead or support money and the endless auditing. More important, they feel that the CETA emphasis on placement numbers hampers their organization and their meeting of community needs. To succeed in their particular environment they feel that the key is small scale - "You can't do it on the basis of numbers, you have to do it on the basis of people.

Banana Kelly has two main concerns: 1) To bring in jobs and income, and 2) To retain and improve the housing. To do this they seek to use what they consider two underutilized resources: the existing housing and the existing labor force of local residents. In addition, through the use of gardens, hydroponics, weatherization, food cooperatives and the like, they believe that they can make it cheap enough to live in the neighborhood and make more effective use of the people's incomes. CETA is an important part of all this, but not necessarily in a manner that is immediately recognized by the usual measures of CETA success.

Placement rates with Banana Kelly are almost non-existent, but it is the CETA workers from a program known as the Energy Task Force that provide the staff with their weatherization efforts. It is the New York City Urban Coalition that provides the CETA secretarial slots. It is People's Development, another older and larger neighborhood sweat equity program that is providing workers who are helping with the construction. All this helps defray costs and enables them to stay in business. In the meantime, many of the people working on their buildings (Banana Kelly is involved with management and rehabilitation of a great many buildings) are on CETA. As stated, very few have gotten jobs with Banana Kelly. But, they are being provided with needed skills; including an introduction to the real world of punching a time card, working with others and even getting fired.

Both programs want to use CETA more. They feel that, ultimately, many of the local jobs for CETA eligibles will be with community organizations such as theirs. They believe that they are going to be, for a long time, the only real "action" in this kind of an environment. Therefore, they feel strongly that if the jobs that they know to be coming from government programs

such as rehab or weatherization or training or whatever is going to get going, organizations such as theirs must have the needed start-up support, the technical assistance, the multi-year funding and the linkages and the leverage to not only aid in possible job development, but to help meet current and crucial community needs.

CETA will never stick out much in these programs, but will always be an important part of the glue that helps hold things together.

J. The Patch, Inc.

Background

Around the turn of the century, mountain people from Tennessee, Kentucky and northern Georgia came to work in the cotton mills of Atlanta. Many settled in a neighborhood near one of the mills that came to be known as Cabbagetown, from the smell of the greens that were cooked at dinner time. When the mill closed in 1974 and the city threatened to clear portions of the neighborhood, a small volunteer organization called The Patch, Inc. (from cabbage patch) was a leader in the fight to save the community. The Patch, Inc. had only been in operation since 1971 as an after-school volunteer program for youth focusing on basic educational needs, tutoring, recreation and community services.

Today, The Patch is still in the business of trying to save the neighborhood. The cotton mill that closed down is now partially utilized by some light industry and as an office building by The Patch and others. There are expansion plans for a cotton mill museum, a flea market, housing and other programs.

Youth are still at the center of The Patch's plans with the educational programs having become formalized, greatly expanded, and now aided by a professional staff and allied with attempts to develop cottage industry.

Perhaps most important, the community still retains its strong Appalachian heritage which the program seeks to maintain as seen in the cultural identity present in its distinctive industry-related efforts. This was quite vividly brought to life when visiting the burgeoning pottery and furniture refinishing programs.

Program Description

The Patch has sought to develop furniture refinishing, fabrics and pottery industries. Creating products that maintain the traditional heritage and designs of their forebearers, the Appalachian youth who come to The Patch are in large measure, high school dropouts. As Patch enrollees, they seek to earn high school equivalencies through classroom training while receiving CETA assistance and pottery or woodworking training on a part-time basis.

Besides CETA funding, the pottery program, in particular, is supported

by grants from the Community Services Administration, the National Endowment for the Arts (which is the salary source for the pottery instructor) and the Atlanta school system.

Unfortunately, no one provides the technical assistance which the project badly needs.

Issues

While the overall program provides an excellent mechanism for gaining skills, learning about the world of work, acquiring a high school equivalency, earning needed funds and offering the rural-oriented youth a much needed degree of urban socialization, a still unanswered question faced by The Patch and many neighborhood organizations is how do you turn a craft such as pottery or a potentially profit-making indigenous operation into an industry?

The people at The Patch feel that they are on the right track. There is an over-abundance of the famous red Georgia clay available for the pottery itself. The youth coming to The Patch and the community are interested in its programs. There has been good response to the pottery that has been put on sale at local art shows and flea markets. While selling has been limited, the staff senses that something can be done with their products. They feel that there have been many positive signs.

But they are a small program and they do not have the staff or expertise to do a proper market survey. CETA and the other funding sources do not provide monies for surveys, advertising, selling campaigns or necessary support services they feel that they need. Many participants feel although they may be unique in being the only local pottery producer in the area; receiving firms for the graduates of the program do not exist. The Patch, itself, is presently too small of an operation to absorb many of its own.

On one level, the program is a success. It has the strong support and involvement of the local community. It is meeting educational and cultural needs of the youth that it serves. The craft aspect, perhaps, provides the youth with a greater sense of achievement than that which they might find with other types of work. The skills, education and learning factors are equally important.

Yet, success has been almost in spite of the sources that have kept it barely in operation. Without sufficient capital and a long term commitment, The Patch remains a limited year-to-year social service-type program. It cannot become a really viable economic entity until it is able to develop like any other small business. Start-up and operating capital, multi-year funding and support, marketing and management plans, and help in carrying out these plans would, at least, enable The Patch to find out if their products can do as well on store shelves as they are doing in the Atlanta flea markets. It can result in jobs where none previously existed.

Therefore, attention should be given to programs of this type.

K. Aunt Martha's Youth Service Center, Inc., Park Forest, Illinois

Background

Aunt Martha's Youth Service Center began operating a youth drop-in center in December, 1972. With a community board of 21 and an advisory board as well, Aunt Martha's has been significantly successful in its growth and evaluation. Located in Park Forest,Illinois, a twice-named "All-American City", Aunt Martha's has developed extensive use of volunteers. Youth counseling and "hot-line" services,expanded to foster care placement, health services, outreach programs, summer programs and finally CETA Youth Employment Training Programs, began in January, 1978.

Aunt Martha's serves youth in both Cook and Will Counties and the municipalities contiguous to Park Forest.

The agency has been funded by volunteers, local area industry, the Chicago Community Trust (a two year $35,000 grant, 1977-79), the United Way, various township and village program grants, the Illinois Dangerous Drug Commission, the Illinois Law Enforcement Commission, the Illinois Department of Children and Family Services, and the Cook and Will-Grundy CETA offices. The agency is non-profit and has created several non-profit cooperative subsidiaries.

Program Description

Since 1978 Aunt Martha's has been funded for youth programs via CETA. Currently there are 24 slots in the Youth Employment Training Program and 23 in the YCCIP. AMYI specializes in woodcraft production. Participants operate the woodworking shop learning all the relevant skills of designing usable furniture - especially end tables, bookcases and coffee tables - handling production tools and equipment safely and well, and assembling and finishing the final products. Sales are accomplished through a retail outlet which is a non-profit youth arts and crafts cooperative called Verities and Balderdash. Membership in the cooperative is open to all community artists age twenty-one and younger. YCCIP participants not only work in the woodshop but aid in renovating the store (it's had several locations), working on advertising and developing retail selling skills. Verities and Balderdash create art objects, photography, and silk-screen original T-shirt designs for production. Thus, youth artists can display and sell their work while learning basic small business operations.

In cooperation with two area junior/community colleges, AMYI offers GED instruction. Prairie State College provides a GED teacher four days a week. Of the 47 current CETA trainees, 41 are in GED classes and the remainder have already passed the GED. Many community volunteers assist in tutoring on a one-to-one or small group basis.

Both YCCIP and YETP participants have common intake, career training, group counseling, tutoring, and placement services.

AMYI has merged with and taken over the direction of a similar agency, "The Place" in Park Forest South, and the silk-screening and printing shop received a contract to do all the T-shirts for the National Youth Workers Conference in 1980. AMYI trainees provide the supervision for the Beacon Hill After School Activities Program for elementary school children.

In cooperation with the Village of Park Forest, HUD and the South Suburban Housing Center, AMYI contracted to rehab an abandoned house in 1979. Graduates of AMYI served as carpentry apprentices on the job, total rehab was accomplished with some subcontracts and the house was sold to new occupants. AMYI has had two citations for program excellence by national review groups. It is distinguished for careful management, outstanding leadership and community voluntary service.

Issues

The excessive paperwork and constantly shifting rules and regulations of CETA were cited as unnecessarily constraining and time-consuming. In addition, the continuing need to have experienced youth leaders on the staff poses a problem when the prime sponsor or DOL effects a "freeze" when enrollments are down, yet continuing staff must be retained as over and against increased enrollments when "freezes" are lifted. The problem is then compounded if the management decision to retain the staff results in going over the administrative percentage limit on the budget. The year to year funding, generation of new proposals, and enforced annual shift of purpose in YCCIP were viewed as problems. In addition, and this was a common complaint, the late pay-out of the primes (e.g., September vouchers paid in Novemb poses serious problems for community organizations if they exist solely or primarily to conduct CETA projects.

While AMYI is not specifically a jobs creation model it is included as a case, not only because of its excellence, but because it illustrates job creation potential. The Verities and Balderdash young artists' cooperative and retail store has the potential along with the woodworking shop and silk-screening studio, to become not only self-sustaining but perhaps a profit-making business. If the DOL and Illinois primes adopted jobs creation and economic development as major policies, with support, then groups like AMYI might be encouraged to take the next steps to real jobs creation. AMYI's housing rehabilitation project could also have developed into a profit-making subsidiary as has been done elsewhere - TWO, TNI, NDC of Jamaica Plain, etc.

L. Asian Neighborhood Design/Chinatown, San Francisco, California

Background

Founded in 1973 as a volunteer organization to aid community groups and residents in Asian neighborhoods wishing to improve their physical environments, Asian Neighborhod Design is a small, unusually dynamic and effective organization. Its outstanding leadership has succesfully sought funding from a variety of sources: CETA, California Department of Housing and Community

Development, California Energy Commission and various private foundations. AND's CETA (YCCIP) program began in 1978 and continues to date.

Program Description

Located in Chinatown, San Francisco AND operates the second largest CETA youth program in the city, funded at over $200,000. Although small by comparison with many others, it operates in a city where the philosophy of the prime sponsor is to support many small community-based "people" programs. AND supports this philosophy.

AND offers design and construction services to non-profit groups in Chinatown. Its youth program lasts only six months and served 39 youth in 1978-79. The work crews now number three and are engaged in construction and rehabilitation work directed by a retired union carpenter, a printing contractor and two construction supervisors. Youth trainees (ages 16-19) serve as pre-apprentices and are paid $6/hour. Fourteen of the first trainees were positively placed. Only two were terminated for poor attendance or work performance.

The program has developed an Enrollee Handbook which is used extensively during "Focus Week", an orientation and training period. Youth Performance Evaluations have been developed and are used every three months. Additional "Focus Weeks" provide intensive shop sessions on various topics. The last "Focus Week" requires each trainee to build a small practice house from foundation to rafters. This period also provides extensive guidance on job hunting in the construction trades. Training is all project related and is primarily conducted on the job.

Excellent relationships have been developed with the many community groups served, the unions, state and local agencies and among the staff, supervisors and trainees. The constant goal is to act as any profit making design and construction corporation would and the projects undertaken are held to competitive contracting standards. Vocational guidance is provided but more intensive personal counseling or related social needs are referred to other appropriate agencies in the area. Enthusiasm and morale are remarkably high and easily evident. Accomplishments are visible and leadership is outstanding.

Design and construction services have covered over 26 projects, including renovating social service agencies, constructing playgrounds and vest-pocket parks, building of furniture and interior furnishings, rehabbing, designing child care centers for CDBG grants of over $100,000 and designing and modeling for large projects (Playland by the Beach and the International Hotel Site). Projects completed include the following:

1. Center for Southeast Asian Refugee Resettlement: patch and paint existing walls and ceilings.

2. Nihonmachi Little Friends: construct playground.

3. Chinese for Affirmative Action: patch, plaster, repair, and construct walls; paint; install carpets.

4. Telegraph Hill Neighborhood Center: paint all walls, ceilings, doors, and windows.

5. Northbeach Housing Project: install play structures.

6. Chinese Historical Society: construct shipping crates for photo display.

7. Chinese Education Center: construct incubator boxes.

8. Wu Yee Child Care: construct storage units and sand/water table.

9. Self Help for the Elderly: patch and paint walls and ceilings, construct and install movable partitions and shelves; construct reception counter.

10. Chinatown/Northbeach Family Planning: renovate exisiting clinic laboratory and reception room, including patching, painting, sheetrock, new wall, new window, and reception counter.

11. Chinese Community Housing Corporation: patch, repair, and paint existing walls and ceilings.

12. West Bay Philipino Multi-Service Corporation: paint walls; construct movable partitions.

13. Chinatown YMCA: paint basement and lobby level; construct low wall.

14. Yook Yau Ji Ga: construct shelves and child cubbies.

15. KQED: construct new walls to enclose five new offices.

16. Chinatown Community Children's Center: construct fence and storage units.

In addition, AND has developed a self-help housing rehabilitation program offering classes, workshops, technical consulting services, information referrals, on-site technical instruction, tool loans, etc., especially for the elderly and low-income residents of the area. A group self-help project is planned. The energy conservation provides pamphlets,workshops, slide shows, posters and other materials, all in Chinese.

Issues

AND has the usual problems with the burden of CETA paperwork. It expressed extreme difficulties when two-month delays on allotment checks occurred. The staff felt strongly that the CETA/YCCIP demonstration is a model that should be continued and expanded. They recommend that 20 and 21

year old youth be allowed to participate in the program and they question the inclusion of 16 year olds who frequently lack the maturity and the muscle to do real construction work.

An obvious strength of AND is the fact that the design staff (3-4 persons) can and do offer total client services from design through implementation. This releases the training supervisors to spend 100% of their time with the trainees. There is a strongly felt and expressed need to expand AND's quality work to more residents of Chinatown which, as a total area, is in desperate need especially of interior rehabilitation. At the time of visit, future plans were being made to expand into a two story basement across the street in order to set up a furniture manufacturing program. AND is planning to develop its own construction company to concentrate on housing rehabilitation. For-profit subsidiaries are under consideration and small but real job creation would result.

M. Alternative Schools

Background

Low income, out-of-school, and unemployed youth with the lowest basic educational skill development are the youth, according to the proponents of the alternative schools approach, most in need of participating in a productive work program that will also provide them with a useful education.

"In Chicago," according to Jack Wuest, coordinator of the Alternative Schools Network, "almost 45% of all high school students drop out of school (nearly twice the national average of 25%) with similar situations existing in other metropolitan centers." (TNW, 12/28/79, Vol. 2, #24). Dismay with the high drop out rates experienced with the traditional school systems, a growing desire on the part of citizenry to increase their control over many aspects of their lives (e.g., health care, housing, employment, education), and a wish to obviate the sense of alienation that many youth experience from their own selves, their own abilities, their own communities and traditional learning patterns,have led to the development of the alternative school.

Key factors in the alternative school make-up tend to be (1) small and personalized programs that seek to develop and strengthen the involvement of the students in both the educational processes of learning and in shaping and determining what is learned, (2) strong community involvement with neighborhood-based locations in inner-city communities, (3) low student-teacher ratios (about 1-8), (4) low student populations (25-200) and (5) accompanying work projects that count heavily upon CETA as a source of needed funds.

These alternative school work projects come in a variety of shapes and sizes. In Chicago, there are retail stores, housing rehabilitation programs, a food cooperative, a printing shop, a bakery and a woodworking operation. In Baltimore, the alternative school program, the Park Heights Street Academy, operates a vast paper, glass and aluminum recycling program with its paper aspect alone, reputed to be one of the largest paper recycling programs of any kind in the United States expected to net over $90,000 a year. So successful has been this program, which began as a realtively modest CETA education/employment project, that it threatens to overwhelm the Park Heights Street Academy itself.

Program Description

After meeting with the coordinator of the Chicago-based Alternative Schools Network, on-site visits were made to three of their 46 member affiliates: Chrysalis Learning Community, Latino Youth Alternative High School and Prologue. All are similar in their goals, aspirations and approaches toward their education and work-experience components. All seek to provide an alternative for public high school dropouts who wish to complete their secondary education through an academic program leading to a high school diploma. They serve, almost overwhelmingly, economically disadvantaged youth who have been "turned off" by, and turned out from, the formal education systems; and are among those least able to purchase educational services. Their students tend to average about 17 years of age.

Along with supportive counseling services geared toward the potential youth dropout and the unemployed, course work emphasizes basic skills in communications (reading, writing, verbal) and mathematics. Unlike vocational education programs, there are no classroom equivalents of the skills concentrations of their work projects. Each school operates its own business or service that employs 6 to 15 of the youth attending the particular school who receive CETA funds for their efforts. The work programs are viewed as profit-making ventures that will not only provide needed income for the eligible students, but will offer the school a source of funds for their own operations. The CETA projects give the youth an opportunity to earn money, acquire skills and good work habits, receive an introduction to the world of work and, in many cases, perform a useful service for their community.

The students attend classes for part of the day and work on the projects, part-time, 15 hours a week. While a great deal is done in the way of skills, training and preparation for careers in the specialized vocations offered (housing rehab, recycling and retailing), education still remains as the main focus of the programs. Job potential is most important but the work assignments are seen as a training mechanism and as an opportunity for the youth to earn needed funds while in school. Besides, whether faculty or students themselves are looking down academic or vocational highways, those that were interviewed seemed unanimous in their belief that in working with youth, additional training or schooling of some sort would be needed. The alternative schools approach was seen as an important starting point rather than as the immediate doorway, toward gainful employment.

Issues

From a financial viewpoint alone, the Park Heights Street Academy and its recycling effort is not only the most successful of the viewed alternative schools' economic ventures, but more than rivaled a great many other CETA-related programs as well. The recycling operation started out as a relatively small education/employment program for some of the school's students. Having developed an excellent track record with awards for a CETA-supported tutorial and recruitment program, Park Heights was able to receive funding for a recycling program that would provide 15 youth with part-time employment and conservation education while establishing a paper collection operation. The paper that would be collected from community sources would be sold with the monies received going back into the projects and helping the school with its operations. This is still the basic goal of the program. The program has grown to the extent that the school's Board of Directors is currently wrestling with the issue of whether or not they are running a school or a

major recycling business. What started as simple paper collecting is now a monumental operation that has 6 contracts alone with the City of Baltimore (a strong source of support) to handle some of the paper wastes from city buildings. In addition, Park Heights is now involved with crushed glass processing and storage for street repaving, aluminum collection and recycling, managing a soon-to-be enlarged 3,800 sq. ft. factory and it just signed a contract to purchase $17,000 worth of equipment to go with the paper shredders, boilers, fork-lifts and trucks they already own. All this began with the modest start-up funds coming from Baltimore's CETA program.

From the beginning, and continuing to this day, students have played a major role in the program's operations. But the apparent success of the program has not, however,changed the basic goals or the number of students involved. In fact, unlike the other alternative schools where a financially successful work project would quickly lead to a spin-off operation, this has not been the case with Park Heights. First and foremost, they see themselves as a prep school with the recycling business serving only as a fund-raising necessity. They see no connection between job creation and the basic function of their school; namely, education. They are not encouraging those working under CETA, or for that matter any other student or interested party, to seek careers in recycling. They want the students to go on to college and the recycling program to remain as a source of revenue for the school. Besides, the school's director does not feel that there are careers to be had in recycling and wishes to avoid any semblance of training youth for jobs that do not exist now, and may never exist.

Park Heights people feel that the "success" of the recycling program lies not with the monies that it has brought in, but with the "underpinnings" it has provided to the education of the student. It is seen as a necessary mechanism by which the student learns about the real world and is able to bring real world experiences into close contact with school work. In short, it serves to bring work and education as close as is possible.

The Chicago alternative schools share the basic goals of Park Heights with some interesting variations. The Chrysalis Learning Community and its student-owned and operated store, "Creative Concoctions", also seeks to become a modest money-making venture. They have not been as successful as Park Heights nor as they would like. While they feel that the students involved with the store's operations have learned a great many math and business skills, improved their personal sense of worth and developed a greater interest in school, the store operation itself has suffered from a lack of sufficient start-up capital, a lack of professional marketing and business experience, and conflicts with the CETA rules under which they must operate.

"Creative Concoctions" is located in a mostly residential, moderate-income neighborhood which means a low rent for the store, but not much in the way of business traffic. The store features student designed and student silk-screen processed T-shirts, student manufactured wood bookcases, storage cubes and jewelry, craft items and small toys made by Chrysalis students and neighborhood residents for sale on a consignment basis.

Students can work up to 15 hours a week during the school year and 25 hours a week during the summer. A student can be part of the program for 3 school years but funding for the program itself is available only on a year to year basis. Program success, therefore, is measured almost immediately. This,

the program coordinator pointed out, flies in the face of the experiences shared by most retail establishments which not only need a good amount of start-up capital, but take a good deal of time before they break even, let alone make a profit. In addition, Chrysalis is wrestling with a basic question that many of the programs viewed by this study are continuously facing. Namely, can you be a profit-making venture while at the same time serving as a support-providing training experience?

The housing-related rehab activities of Prologue and the Latino Youth Alternative High School seek to address this issue, partially through their goal-related activities involving the development of basic construction work skills and links to pre-apprenticeship and advanced training. Both are also strongly involved in meeting the need for adequate housing that is faced by the communities that each seeks to serve (Uptown and Pilsen). One visiting these programs is made aware of the strong commitment to education, but also cannot escape the commitment to the community and the need to develop jobs and opportunities for the graduates of the program, either immediately or somewhere down the line. Both programs have close ties with local housing development programs in addition to their links with a supporting educational institution in their own community. They also emphasize the basic need for education, but are also seeking to meet the challenge posed to all job training programs, namely, what happens to the people once you train them? Latino Youth seeks to place its rehab project youth in the pre-apprenticeship programs connected with its housing development affiliate and, hopefully, see these youth some time in the future achieve union status. Prologue, without the same available stepping stones, seeks to work closely with local contractors.

Both of these alternative schools programs are wrestling with other CETA-related issues as well. They feel strongly about the need to increase the number of hours and the pay of the students. Fifteen hours a week is not enough time to provide the necessary training. Incentives should be provided to the youth as well. If the youth are expected to acquire skills while in CETA programs, it is felt that they should be rewarded by pay raises, as in the real world, for their progress. Otherwise, the youth easily see that you get the same amount of pay as long as you remain in the program, no matter how well you do. Moreover, program orientations are geared by CETA toward the non-profit sector and both schools would like to work closer with contractors who are out there on a profit-making basis. This would not only give students a taste of what is actually happening, but would increase the potential for future employment

N. Business Information Center Network/Boston, Massachusetts

Background

The first Business Information Center based on concepts developed by its current director was established at Exeter, NH in 1975. The Massachusetts Business Information Center Network (BIC/NET) pilot program began with 8 centers in 1976-77 (2 were locally funded) and was expanded statewide in 1978 co-sponsored by the Department of Commerce and Development and the Governor's 4% discretionary funds. The original goal was to have 70 BICs operating by 1980 but the program peaked in 1979-80 with 26 centers. At its maximum, a central support staff of 8 offered resource and library assistance, statistical services, created a resource directory and provided

quality engineering data. A core staff of four trainers handled the training sequences for PSE employees who became the counseling assistants to the BICs.

The resource books, The Business Planning Guide and the Business Resource Directory, developed by the director are used as text materials, among others, for carefully selected PSE employees who went through 6 intensive weeks in the classroom and 2 months of OJT as counseling assistants at the BICs which were housed by local corporations. Local support was also obtained. In 1976-77, 400 small (usually under 20 employees) businesses were assisted, 120 new jobs created, 300 jobs were retained and $1,700,000 in loans were obtained. The program has been replicated in NY with a stabilized County Business Extension Service in Chatauqua County, in California in several counties, and in one other state.

Program Description

At time of writing there is no operational BIC/Network any longer in Massachusetts. Remaining personnel are being phased out since August, 1980. Of the 26 field personnel in the 26 BICs at the Network's peak, around 8 are still working in the larger cities where the program has been picked up by municipalities and/or local economic development corporations. Several of the former staff are working as private consultants. The central support and core training staff suffer a partial shut-down awaiting action on a proposal to EDA and several state proposals, but "everything takes so damn long!"

In 1979-80 the BICs gave specific in-depth assistance to 1260 businesses resulting in 221 new jobs, the retention of 1,024 jobs and the achievement of $3,200,000 in small loans. For every $1 spent in the BICs, $3.70 of new investment money has resulted. A clearly cost effective program by any basis or measure.

Issues

Reporting the phase-out of such a highly effective program is no pleasant task, especially when the project team is recommending a similar program in Illinois.

What is Massachusetts doing? The current plan is to have a Small Business Development Council to coordinate all assistance programs through the universities of the state. The University of Massachusetts at Amherst's Center for Economic Development will take the leadership assisted, in Boston, by Boston College. Given the high failure rate of new small business, the need to increase survival, expand small businesses, improve management and business plans and package loans, coupled with the fact that the majority of new jobs are created in small businesses, then the demonstrable success of BIC/NET deserves to be more widely replicated.

O. Be Your Own Boss/Broward County, Florida Industrial Council

Although the project team was not charged with any review of the PICs or any PIC case studies, we chose to add the following program description verbatim because it contains such a logical and appealing example as an addendum to the BIC/NET program just presented. The Private Industrial Councils

could be encouraged to replicate both the BIC or BYOB models profitably.

"Florida PIC Shows Hard-to-Employ How to Run Their Own Businesses

To CETA trainees in Broward County, Florida, BYOB means work not wassail.

Thanks to the area's Be Your Own Boss program, funded by the Broward Industry Council, the economically disadvantaged are not merely finding jobs - they're creating them for themselves and others by opening businesses of their own.

'Some people stay away from CETA because they think the jobs they'll get will be make-work jobs. They want a piece of the action, and this is a way for them to get it,' says Larry Babitts, acting director of the private sector department of the Broward Employment and Training Administration (BETA). BETA is administering the training program.

'Why should they cut the lawn for the county, when they can do it for themselves?'

BYOB graduate Christifa Knowles couldn't agree more. Opening the doors to Sir Knowles Plant Palace - his own lawn maintenance and nursery business - was a dream come true.

'I'd worked off and on for my grandparents' lawn business for eight or ten years,' Knowles says. 'When they died two years ago, I never thought about buying the business. I never would have found the money.'

After a variety of jobs, Knowles decided to go back into the lawn business and put together a company of his own. That's when he heard about BYOB.

'It was just unbelievable. The program trains you, pays you during training, and helps set you up in business,' he says.

'We're taking people who have skills, who have worked before using those skills for the profits of others, and teaching them how to use them for their own gain,' says Millie Morano, industry marketing specialist at BETA.

Under an $80,000 Title VII contract, Traintex Management Services, Inc. is conducting three eight-week sessions to teach the basics of self-employment to 30 carefully screened CETA clients.

Students ranging in age from 19 to 55 were selected from those who answered radio and newspaper advertisements publicizing the program.

'About 200 people responded to the ads for the first session, and about 125 answered the ads for the second class,' says Morano, who has interviewed each of them.

'I try to determine how well-prepared they are for this type of training, and how feasible their ideas for their own businesses are,' Morano says. If she has questions about whether a business might survive, she makes the potential client do some research to show that a market exists.

Morano picks the top twenty candidates, and refers the rest to other BETA agencies for further job counseling. The finalists then present their plans to a panel consisting of a Broward Industry Council member, a bank loan officer, and the director of Traintex. The ten who offer the most original ideas and the best business plans are selected for training.

Traintex instructors work with volunteer professionals representing groups like the Small Business Administration to teach students every aspect of operating a business - from planning and financing to bookkeeping and public relations.

During the mornings, students learn the steps necessary for incorporation, obtaining a loan, and other essential business skills. In the afternoons they put their new knowledge into action.

'By the time the course is over, they are completely set up,' Babitts says. 'They've got their license, negotiated their loan, and done whatever else is required to open the doors.'

And because the program includes a three-week internship with a local business similar to the ones they are starting, the trainees are prepared to handle the day-to-day problems that may arise. Traintex will monitor the graduates' progress for a year, offering consulting services as needed.

According to Morano, the cooperation of the local banking community is vital to the program's success.

'Without money, the trainees can't do a thing,' she says. So eight Broward banks have set aside loan money-$10,000 each - which the graduates can borrow at special low interest rates.

The program's first graduates completed their training in May. One began a boarding home for retarded adults, while others supply building maintenance, photography, and pest control services.

The August graduates started businesses to weave wigs, landscape grounds, design and alter clothing, clean carpets and furniture, and provide other products and services.

Administrators are confident that the third class, which will graduate this month, will be equally successful. Morano says that BETA has already submitted a proposal to continue the training.

'There's a real need for this kind of thing,' says Babitts. 'We could put 50 or 100 in each class and not fill the need.'

The course has already stimulated interest across the country.

'We've been contacted by counties in eight states interested in doing the same type of thing, and the inquiries have just begun coming in,' Morano says. 'It's a unique idea, and we're proving that it can work.'

For Christifa Knowles, it's more than a unique idea. It's a gift from heaven.

"I just can't believe the whole thing. It's as if my grandfather came back and gave me his business." 10/

NEIGHBORHOOD TECHNOLOGY AND LOCAL JOB CREATION:

A REPORT BY THE CENTER FOR NEIGHBORHOOD TECHNOLOGY 11/

An underlying premise of this section is that new job creation in the provision of basic necessities - food, energy, shelter, and quality of environment - represents a multi-purpose agenda with potentially large and attractive payoffs for public investment policy. A second premise is that community organizations represent an appropriate organizational and geographic arena for the "research and development" required to learn how to package such efforts. A corollary to both these premises is that such neighborhood-based productive efforts are best packaged within a small business framework.

The purpose of the report is to highlight 9 significant efforts in job creation in basic need efforts which are potentially replicable in a variety of formats, or which in part can be emulated on a local level. A summary of pertinent aspects regarding sponsorship technology areas, and strategies is presented in the table which appears if this section.

In most cases, these projects have at least identified, and in most cases incorporated, linkage mechanisms for longer-term employment opportunities. In all cases they have learned to make the best of a difficult situation with regard to the use of CETA funding.

The case studies point to the emergence of job creation capacity on the part of those community efforts who've been willing and able to persevere through multi-year, long-term commitments to meeting basic needs locally.

INTRODUCTION

Neighborhood organizations across the country have been learning some hard lessons in recent years. For one, they've discovered that government programs cannot eliminate the hardships of low-income people caused by the inflated costs of food, energy, and housing. In an attempt to deal with these problems, more and more groups find it necessary to focus on positive neighborhood development efforts, in addition to community organizing. Many of these organizations have hoped that demonstrations of locally managed technologies in energy conservation and food production can stimulate political action and promote neighborhood economies.

10/ Op. cit., pp. 1-2.

11/ Scott Bernstein and Karen Bachner, Neighborhood Technology and Local Job Creation: Case Studies of Emerging Job Opportunities in Neighborhood Organizations Using CETA Funding to Support the Provision of Basic Human Needs. A project subcontract performed by the Center for Neighborhood Technology, Chicago, Illinois, 50 pages (adapted).

To date, however, organizations have had difficulties launching these innovative demonstrations. A number of barriers have frustrated neighborhood developers. "Appropriate technologies" may seem simple, when, in fact, they are often as difficult to implement as conventional technologies. In addition, the alternative technology movement is largely aimed at rural and suburban areas; existing literature and technical resources tend to neglect special conditions and barriers common to city-based projects. As one result, urban projects are often poorly planned; simple but unanticipated problems can slow the wheels of progress. Organizations plunge into projects without the proper staff and funding, and resources are scarce for innovative neighborhood demonstrations.

However, in the opinion of the authors, many sophisticated community-based organizations are learning to develop capcity for long-term job creation and linkage with existing and emerging job opportunities in "new" technological areas, which of course are really very old: food, energy, housing, and quality of environment. They have been able to do this in large part because neighborhood based organizations have the most proximate access to articulated interest and need in, respectively, those persons and locations in need of rehabilitation and the concommitant enhanced work opportunities as capital is reinvested in communities.

Although for 30 years, public measures for employment and training have served to sustain needy workers, they have not always succeeded in producing results which outlasted that support; this objective will not prove less difficult in the future. Recent years have witnessed a removal of industry and jobs from northern cities and regions. Sharply rising costs of energy, reflected in soaring prices for food, fuel and housing, can amount to something like a job-loss for families and spell economic tragedy in neighborhoods.

Small business has also been hard hit by these trends, which are documented in the TRUST report, Developing Jobs and Neighborhoods Through Small Business Growth: Recommendations for Action. 12 / Yet, a recent MIT report documented that on the average, about 60% of all jobs in the United States are generated by firms with 20 or fewer employees, and 50% are created by independent, small entrepreneurs; under 3% of new jobs overall are created by independent, small entrepreneurs; under 3% of new jobs overall are created by the "Fortune 1000." Given the high typical failure rates for new small businesses (over 80% within the first two years of operation), and relative lack of access to capital, even traditional small business is hard pressed within disinvested neighborhoods to maintain a stable job base for neighborhood residents; nonetheless, the evidence is clear that new small business-derived job creation is essential to reversing unemployment.

What has become apparent to even the casual observer is that as traditional job roles switch from blue to white collar, as unemployment increases in older urban neighborhoods, as manufacturing jobs shrink, as welfare becomes prohibitively expensive and the calls increase for investing transfer payment capital for job creation and small business underwriting, and as inflation of the necessities drains untold billions of dollars from the economic bases

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12 / Holzman, op. cit.

of communities nationwide, that neighborhood-focused and locally managed programs are starting to provide evidence of emerging training and net job creation capacity, respectively.

Thousands of community-based organizations have devoted significant effort to attempting to create work opportunities which can impart marketable skills to trainees, and a small fraction of these have developed or can be viewed as in the process of developing long-term work opportunities within their own communities. Almost all of these have utilized Comprehensive Employment and Training Act (CETA) funds to subsidize their training expense.

CETA has been a tool of dubious value; it has the distinction, however, of being one of the few tools available. Consequently, it deserves continued attention, and renewed efforts to make it more serviceable to the needs of the low-income community to secure basic resources in the coming years.

This report is an attempt to document several case studies of the utilization of CETA in the job creation process, focused on work areas related to food, energy, housing and environmental improvement. Most of the cases document some emerging job creation capacity at the neighborhood level. This report does not attempt to analyze the pitfalls of using CETA, nor its limitations, as those issues are addressed in the main report of which this is a sub-contracted pieces, and in an earlier work, Making CETA Work: For Workers, For Neighborhoods. 13 /

The report does focus on some of the more serious attempts around the country (New York. California, Chicago, Massachusetts) to develop mechanisms for generating new training opportunities in basic needs areas within communities, and to link these in some fashion to longer term employment opportunities within the industry indicated. In some cases, the strategy involves one of job readiness and basic skills training for qualifying trainees for union placement; in others, the strategy is to create a new business entity at the neighborhood level which is intended to provide a long term job opportunity itself. The range of strategies indicated is intended to be exemplary, rather than definitive in scope.

The following table entitled "Guide to Case Studies" is to serve as an index to the case studies, and a cross-reference to the strategies employed. The information for the report was compiled by the staff of the Center for Neighborhood Technology, a not-for-profit neighborhood organization serving-agency which has been involved during the past three years in research and demonstration work in the subject areas at hand. CNT compiled this report from interviews at the organizations involved, and from source materials identified during our investigation.

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13 / Scott Bernstein and James Pitts, Making CETA Work: For Workers, For Neighborhoods, (2nd ed.), Community Renewal Society, Chicago, Illinois, June, 1979.

SPONSOR	PROJECT	TECHNOLOGIES	STRATEGIES
Bronx Frontier Development Corporation New York, New York	Greening of the Bronx	Urban agriculture; environment and maintenance; waste re-use	Neighborhood improvements Contractual services Re-cycled product sales
Solarwork Institute Sacramento, California	Solar Technical Training	Solar energy utilization	Basic solar skills training Linkages with apprenticeship programs and solar businesses Certification based upon on-the-job training
San Bernardino Westside Community Development Corporation San Bernardino, California	Neighborhood Energy Utility	Energy conservation; Solar energy supply	Neighborhood improvements Supplying contractual services Central and decentralized solar heating Manufacturing facilities
Operation Brotherhood Chicago, Illinois	Comprehensive center for food production and distribution; ornamental crop production	Greenhouse crop production; outdoor gardening; food cooperative store; mobile grocery store; hot meals center	Neighborhood improvements Food services provision Neighborhood gardening center
18th Street Development Corporation Chicago, Illinois	VICI (Ventures in Community Improvement)	Housing rehabilitation; greenhouse crop production; solar space heating	Union pre-apprenticeship program with placement guarantees Neighborhood improvements Community contractual services
Technical Development Corp. Boston, Massachusetts	Career Pathways in Energy Conservation	Energy conservation; solar applications in housing	Job preparedness Linkages with existing manufacturers & contractors
The Neighborhood Institute Chicago, Illinois	CREW (Community Rehabilitation and Environment Maintenance Work)	Union pre-apprenticeship Community contractual services	Housing rehabilitation Neighborhood environmental maintenance
The Woodlawn Organization Chicago, Illinois	Urban Restoration and Conservation Corps	Home weatherization Housing rehabilitation Environmental maintenance	Labor supply for joint venture contracting Community contractual services Neighborhood gardening center
Alternative Schools Network Chicago, Illinois	Youthwork Producers' Cooperative	Sprout production; food cooperative; housing rehabilitation; printing; baking; community workshop	Youth-oriented business establishment at community secondary schools Consolidated marketing and production as a producers' cooperative

P. Bronx Frontier Development Corporation, New York City

Bronx Frontier Development Corporation (BFDC) is a four year old not-for-profit community-wide organization dedicated to the redevelopment of the South Bronx of New York through land reclamation and recycling operations.

The reality of the South Bronx is one of hundreds of acres of rubble in place of housing following more than a decade of concentrated arson. In ten years (1965-1975), the South Bronx had lost 45% of its manufacturing jobs, and from 1973 to the present has lost 350 firms and over 13,000 jobs. In 1976, 35% of the adult work force was unemployed while 48% of the youth eligible for work had never held a job. More than 25% of South Bronx families live below the poverty line, and over 250,000 of the 431,000 population is on public assistance.

BFDC was founded by a collaboration of dedicated community workers determined to assist a spearheaded effort to revitalize the area by a literal re-greening of open space, utilizing the waste products of the nearby Hunt's Point Market, a mammoth wholesale food operation. Initial funds were secured from the Community Services Administration and consortium of private foundations, and used for a research and development project to demonstrate the feasibility of using composted vegetable produce matter as a soil conditioner/substitute.

Although two years passed before the bewildering variety of scientific tests and city approvals were woven into a solid operating plan and an operating site near the Hunt's Point area was acquired, open-air composting began in earnest in April of 1978.

To date, the operation has enjoyed sufficient funding to maintain a staff of dedicated professionals for the supervision of 20 CETA trainees of different ages. BFDC is committed to a serious effort of transitioning trainees into permanent job opportunities through basic skills development and linkages to South Bronx employers.

A major spin-off of Bronx Frontier, in conjunction with ten other South Bronx organizations, has been the South Bronx Open Space Task Force. This coalition effort was founded to leverage a $1,000,000 grant from the Land and Water Reclamation Fund of the U. S. Department of the Interior, the first ever for an urban neighborhood development project. A major feature of this program is that the federal government was willing to recognize the value of both donated labor and the value of composted garbage to be applied toward the matching funds requirements.

Last winter the stage was finally set for an economically viable business operation with the addition of a 40-kilowatt wind generator at the compost site. When fully operational, an electrically-run forced aeration system will allow production capacity to increase from the current 40 tons per day to 200 tons per day of compost. When the system occasionally generates more electiricty than needed, BFDC will "sell" power back to Consolidated Edison in the form of credits.

Although the project has donated the bulk of its output to community organizations to date, the following economics have convinced organizational leadership of the possibilities of business development opportunities and permanent job creation: 1) The cost of municipalities and corporations for dumping non-toxic wastes charged by New York area landfills is $3.75 per cubic yard -- Bronx Frontier charges only $1.50. 2) Landfill space is becoming scarce, and after 1981 ocean dumping will be forbidden by EPA regulations. 3) The wholesale market price of bulk compost is $35 per cubic yard. BFDC is producing at $6.34 per cubic yard, reflecting the subsidy effect of utilizing CETA trainees. 4) A variety of private developers, the City of New York and the Ford Foundation have all opened up South Bronx offices (for differing motives), and are starting to direct reinvestment capital into the area.

With regard to this last item, last year the City of New York created the South Bronx Development Office (SBDO). Spurred by community organizations, SBDO has committed to a "Cleaning and Greening" of 75 acres of currently rubble-strewn lots, to create public access open space in the South Bronx. Under a tentative agreement to become finalized in October, city-owned land will be leased on a short-term basis by community organizations, at sites selected by BFDC. Community organizations will input into design and maintenance programming, and BFDC will contract to perform the work involved, which includes rubble clearing, light demolition, carpentry, landscaping, and planting.

The major economic development feature of the project involves a commitment by the New York City Department of Employment (the CETA prime sponsor), to use a variety of CETA titles to help create job opportunities in ways which will remove between 100 and 150 welfare recipients from the public aid rolls. In conjunction with the Bronx Open Space Task Force, a plan to this effect, including a supervisory ratio of 1:6 was proposed to a consortium of city and federal agencies, and approval appears likely for this fall.

BFDC has proposed a limited-profit subsidiary to handle contracting of the work involved. Ths business will include a three-acre nursery with a plant propagation greenhouse, a landscape contracting business, and an employment training division including linkage mechanisms to the areawide private and public market for environmental maintenance.

What is perhaps most interesting in the case of BFDC is that despite the lack of access to traditional research and development capital, or to technology transfer and business development entities such as those emerging in the state of Massachusetts, BFDC has demonstrated that an entity can be assembled on a medium-term (5 years plus) timeline for translating community problems into job opportunities.

Although not easily replicable, it is interesting to note that the 18th Street Development Corporation and the Center for Neighborhood Technology have begun exploring similar opportunities in the city of Chicago.

Q. Solarwork Institute, Sacramento, California

The Solarwork Institute is a state CETA-funded program with a crucial difference from other CETA programs. It will not organize a class until commitments have been obtained from employers to hire prospective graduates from a class. In addition, it will monitor the progress of its trainees for a year beyond their graduation.

The new Institute is an outgrowth of work begun at the Office of Appropriate Technology in 1976 when its first Solar Technician Training program, funded by state CETA, taught unemployed and underemployed persons to install domestic solar hot water heating systems. Subsequently, OAT developed a comprehensive training manual and curriculum under the direction of Werner Schmidt, now the Institute's director. The Institute is a program of the Office of Appropriate Technology.

Schmidt explained that the Institute will not be conducting training itself. Instead, he says, it will be helping community colleges and community agencies design, organize and implement solar job training and job development programs for CETA-eligible people. This process will be set up first through regional meetings and the development of a cooperative planning group in each area where qualified training agencies have expressed interest to the Institute staff in sponsoring a training program.

The planning groups will bring together local community groups, apprenticeship programs, educational institutions, solar businesses, various public and private agencies, and CETA prime sponsors.

This group will then prepare the implementation plan working with the potential training agency, then prepare and submit the proposal for funding the program. Funding will come primarily through CETA, but also in some cases from federal Comprehensive Worksite Education and Training Act funds.

Saddleback College in southern California is now operating the first full program during the pilot phase of the Institute's activity. Proposals have been prepared by 7 other institutions and will soon be submitted for funding. Negotiations have begun with many other groups.

Training will occur in a 9 month cycle involving 3 month segments beginning with intensive classroom training, and ending with on-the-job training with sponsoring employers. Students will be paid a minimum wage during the classroom portions of the training, and the prevailing entry-level wage during the on-the-job parts of the program. Sponsoring employers will be reimbursed for about 50% of the prevailing wage rate during the training cycle.

The first two weeks of the program will be an intensive orientation to acquaint potential students with actual work requirements such as ditch-digging, collector lifting and roof walking, so students with misconceptions about a solar installer's work can make decisions to do something else.

At the end of the training, students will receive a certificate demonstrating that they have completed the full course. Negotiations are now underway with state and industry groups to develop certification that will be officially recognized statewide.

R. San Bernardino Westside Community Corporation, California

The west side of San Bernardino in southern California is a paradigm of the problem areas which plague cities across the nation. One third of the area's population is crowded into the area west of Interstate 15, and the unemployment rate was 50% higher than the city-wide rate of 8% as of January, 1980. Nearly one-third of the west side population is on public assistance, compounding parallel problems in crime and housing shortages.

During the late 1960's, the San Bernardino Welfare Rights Organization, a not-for-profit group of area welfare recipients (all women), organized local residents to lobby governmental agencies to draw attention to west side problems. In 1968, the group started to receive funding from the Office of Economic Opportunity to rehabilitate housing in the Delmann Heights and California Gardens neighborhoods of the west side community. The group also became politically active in a variety of electoral campaigns. While the initial seed grant was $19,000, today the corporation's budget is over $5 million annually.

From the beginning, a group of west side residents and CDC staff, like many other neighborhood leaders, had concluded that the protests and demonstrations of the 60's had carried them as far as they could. The problems they faced--inadequate education for their children, no jobs and no economic future in their neighborhood, and skyrocketing housing costs led by the utility bills-were calling for positive action.

As the 70's progressed, it became clearer that many of the industries that had previously expanded were in deep economic trouble. The Overall Economic Development Plan for the City of San Bernardino (1979-80) documented that within a 20 mile radius of the city, 3,530 jobs were eliminated over a nine month period Major layoffs came from Kaiser Steel (1,500), a recreational vehicle manufacturer (600), the Santa Fe Railroad (200), and Norton Air Force Base (150).

To confront and combat the major problems of the west side, CDC developed 5 key programmatic thrusts: 1) the design and operation of CETA Manpower Training programs and the creation of the Energy Technology Center Vocational School; 2) Housing Rehabilitation and Solarization; 3) Alternate Energy/Solar Business and Economic Development; 4) Social Services; and 5) Education for Energy Conservation. This report highlights four of these.

Employment Training

The CDC, through its Job Development Program, matches jobs with people, providing counseling and job readiness skill training for its

CETA employees. Since 1972, nearly 900 CETA trainees have been trained, and on completion of the program, 80% have been placed in jobs, with more than 60% of graduates working one year after completing the program.

In the early stages of the CDC, the thrust of the training program was in the traditional low-skilled and semi-skilled job categories -- painting, carpentry, and basic plumbing and electrical work. However, recognizing that the solar industry is potentially the major new job creating industry in the state, the staff decided to create a work force of minorities--traditionally left out of new technological developments and jobs--to work in this new solar industry. As indicated in the California Public Policy Center's study entitled "Jobs from the Sun," the feasible uses of solar for space and water heating, between 1981 and 1990, based on conservative assumptions, could generate 375,000 new jobs yearly.

Based on such information, the CDC became actively involved in solar technology. In 1976, it received support from HUD's Solar Energy Cycle II Research and Demonstration Project, a jointly-funded venture providing training and work experience for CETA-eligible, low-income minorities in the technological field of solar energy, specifically in areas of weatherstripping, rehabilitation, retrofitting, winterization, insulation, and maintenance.

In 1979, CDC opened its Energy Technology Center Vocational School which emphasizes the practical training of CETA employees in the assembly, installation, and maintenance of solar systems and related hardware. The scope of the training curriculum involves taking the trainee through refresher courses in elementary mathematics, blueprint reading, mechanical drawing, solar manufacturing processes, the purposes, theory, application of solar technology, and a basic course in general laboratory hands-on experience in machine shop training. This solar energy specialist course, provisionally approved by the State Department of Post-Secondary Education, provides instruction in the skills and experience needed to enter a solar technology occupation. The Center itself has been certified as a solar vocational school by the State Office of Education and there are currently 78 trainees enrolled.

Housing, Rehabilitation and Solarization

The CDC's record is extensive in the revitalization of existing housing for low-income residents, handicapped people, and senior citizens. One of its first projects was the rehabilitation of 42 homes in the California Gardens neighborhood. These units, according to staff, were "massacred houses." They were all vandalized, some had no walls, and others had half a roof. At materials costs of $3,500 a unit and CETA labor, liveable moderate houses were created which are today appraised at $45,000 or more.

In the Delmann Heights community, CDC rehabilitated 10 VA repossessed homes which had been totally wrecked by vandalism and neglect, and in so doing, provided housing (subsidized by HUD Section 8) for low-income

residents. To provide hot water and space heating for homes, CDC designed and built a centralized solar system for this project. The system features a central facility which houses the necessary hardware to service the ten homes which act as satellites to the main plant. It's an active system utilizing a mechanical process that transfers heat from the 70 solar collectors to a storage element (a 5,000 gallon buried tank). The system includes equipment for monitoring heat hoss and heat usage. A A greenhouse adjoins the central facility.

A dilapidated 24 unit motel is being rehabbed and solarized by the CETA crews for senior citizen housing.

Alternate Energy Business and Economic Development

In a recent development, CDC has purchased 12.5 acres of industrial property in the city's northwest area--at the base of the Cajon Mountain pass--and plans to build at least two facilities which will demonstrate the present state-of-the-art in energy conservation.

One facility, a concrete products manufacturing plant, will produce and market specialized and insulated concrete products. The two acre plant will utilize solar thermal and steam generation for the curing of concrete products. As a possible spin-off business, CDC hopes to help create a minority-owned construction company using these low cost, energy-saving concrete products.

A light manufacturing facility will contain 18,000 square feet, making it, according to staff, "the biggest totally solar-powered industrial building in the world." Half of the plant will be used for solar hardware manufacture and the other half will be leased to two or more manufacturers of energy-related products. Altogether the facility will provide approximately 100 jobs.

Plans have not yet been formulated for the development of the remaining 7 acres of the industrial park. However, the rest of this parcel will necessarily conform to the overall design and land use intentions of the projects already described.

The industrial park will utilize alternate energy technologies: passive building design, photovoltaic, solar thermal, wind, biomass conversion, and elevated hydrostorage. To further reduce energy costs, this industrial development will adjust its energy load requirements by combined strategies of maintaining moderate temperatures and lighting levels, and by scheduling production and training to minimize energy usage.

Related to the industrial park developments, the CDC is now administering contracts from the Department of Energy to test the potential of solar and wind energy. In its Photovoltaic Research and Demonstration Project and its Wind Demonstration Project, the CDC will determine the most effective ways of generating electrical power for use in the industrial facilities.

Energy Conservation Education

To help West Side residents learn about solar energy, wind power and measures of energy conservation they can undertake, the CDC developed a community education program which is offered to schools, community groups, and individual residents. The presentation, called Lifestyle Modification and Energy Conservation, utilizes a mobile unit, powered by solar, thermal, and photovoltaic energy. This vehicle travels throughout the community promoting energy conservation.

Positive Solutions for Neighborhood Problems

Each program of CDC had its roots in a neighborhood need or problem. The wide range of CDC programs reflects the far-reaching needs of West Side residents. City planning efforts neglected this area by withholding revitalization programs and money, and damaged its economy by physically and economically isolating the West Side from the rest of the city. So CDC developed a variety of programs to revitalize the area. High rates of unemployment and an eroding economic base pointed to the need for manpower training and youth projects to equip minorities for new technology industries. A shortage of adequate and affordable housing called for a housing rehabilitation program. Scarce and expensive energy demonstrated a need for conservation programs and the development of alternate energy sources.

Significantly, for each problem identified and resultant program initiated,the San Bernardino Westside Community Development Corporation has matched work requirements with employment training opportunities. While the organization does address social service and service delivery needs in a typical fashion, they have defined economic development in the provision of the necessities as their community's overall goal long before that phrase became fashionable. And, with the entry into concrete forms, solar manufacturing, development of their own vocational school, as well as targeting their industrial park to energy-related uses, they've come close to "turning the corner" for laying a groundwork for a less inflationary, closer-to-full-employment community economy.

S. Operation Brotherhood, Chicago, Illinois

Many people take the provision of food in today's society for granted. On Chicago's West Side, and in many other community areas feeling the effects of three decades of abandonment, disinvestment and overall neglect however, food resources are not taken for granted. In the West Garfield Park community area of Chicago, populated by approximately forty thousand persons, a survey taken in 1977 indicated that where there had been twelve supermarkets five years previously, there was only one left, and that was on the way out; the balance of stores were "ma and pa" operations specializing in processed and frozen foods, and nowhere in the community could a decent supply of fresh produce be obtained at a reasonable price. A survey by the Christian Action Ministry as part of the Greening of West Garfield Project found that residents were driving up to fifteen miles to shop for specials at suburban stores, while many families could not even afford this relative luxury.

While the Christian Action Ministry project led directly to the founding of the nation's first demonstration rooftop neighborhood solar greenhouse

project in 1973 and, indirectly, to the founding of the Center for Neighborhood Technology in 1977, just to the south of West Garfield a unique agency was attempting to address the foods needs of the surrounding Lawndale community in a comprehensive fashion.

Operation Brotherhood, the brainchild of a long-time resident of the community, was originally affiliated with a social service agency (Little Brothers of the Poor). It became independent, with a community board of its own, in 1975. From its initial operation (including a small-scale kitchen and food service delivery), serving three hundred residents under Little Brothers of the Poor, it grew into a network of services serving over three thousand senior citizens weekly on the West Side. Initial funding for Operation Brotherhood came from Catholic Charities, private foundations and corporations, the Mayor's Office for Senior Citizens and Handicapped, and a variety of CETA-funded positions.

The food program for area residents is one of the most ambitious in the city. At their headquarters, nutritious hot meals are served six days a week to an average of two hundred persons per day. For those unable to get to the food center on their own, a mini-bus service is maintained. What started out as a simple food cooperative grew into a food pantry and then a full-fledged over-the-counter store, the only such facility in the immediate vicinity today. Recently, with support from the Community Services Administration, Chicago Department of Human Services, the Center for Neighborhood Technology, and the Control Data Corporation, a small cannery was started to take advantage of harvest surpluses, and also surpluses from wholesale operations elsewhere in the city.

Operation Brotherhood has responded to the needs caused by lack of grocery stores and the needs of elderly shut-ins with the mobile grocery store program. The mobile store operates out of a refrigerator truck and stocks fresh vegetables, meat, dairy products, and a variety of staples. The program trains CETA workers who are assigned to separate locations, usually apartment buildings with large numbers of senior citizens and home-bound elderly, where they take orders in the early morning for same-day delivery. As of this point in time, with one truck, the operation is limited to stopping at specific locations daily and the group hopes to expand the program.

Operation Brotherhood also maintains a summer "Mini-Farm Program." Based at a one-acre site donated by a board member, this ground-level vegetable farming program not only provides food for the Operation Brotherhood center operations inexpensively, but also provides exercise and satisfaction for the urban farmers there.

Three years ago, frustration with typical problems in urban agriculture (vandalism and pests) prompted Operation Brotherhood staff to consider the experiences of the Christian Action Ministry to the north with their rooftop greenhouse program. Fortuitously, this occurred simultaneously with the push by the Center for Neighborhood Technology to host a city-wide training session on "neighborhood engineering." At the time, Operation Brotherhood was expanding its physical plant into an adjacent building (formerly a machine shop) and there was rooftop/loft space available for conversion into a greenouse facility. The workshop was held and initial conversion begun during the fall of 1977, with support from CNT,

the housing training program of the nearby Lawndale People's Planning and Action Conference employment training program, and a variety of public and private sources. Vandalism and technical problems forced a continual re-scheduling over an initial two-year period, as did a constant re-evaluation of the purposes of this particular greenhouse.

At present, the 600-square-foot facility is staffed by a full-time greenhouse manager who is supported through a CETA contract, and has been trained intensively by the horticultural staff at the Center for Neighborhood Technology. When it became apparent that the project could not be economically justified with vegetable crops alone, Operation Brotherhood showed creativity in developing markets for vegetable seedlings with local gardeners,for houseplants with local businesses including the Community Bank of Lawndale (which uses these as new account premiums), and for all these products with the general public. A recent 1980 gross income for the facility was over $10,000, against under $2,000 in non-personnel expense, indicating the strong potential for such a facility to support an un-subsidized job position in the near future.

Encouraged by the demand and the results to date, despite the long time-frame, Operation Brotherhood has been studying the feasibility of converting between 1,500 and 5,000 square feet of their Mini-Farm operation to a greenhouse facility as the focus of a commercial gardening activity, which chould also include landscaping and related services in the future.

Perspectives on the Uses of CETA

Operation Brotherhood has been more effective than most agencies in using CETA support to provide training and educational activities for community residents. It is currently training 85 workers annually and providing jobs and training for 25 persons during the summer months. Many of Operation Brotherhood's work experience employees are themselves senior citizens, and Operation Brotherhood has been successful in identifying persons in the Lawndale community with backgrounds in cooking, food preparation, and family farming.

Operation Brotherhood in one sense is an agency at the crossroads. It relies heavily upon such public support as CETA and other city sources. Its current budget is approximately $750,000, over three-fourths of which is derived from public sources. The problem the agency faces is the built-in contradiction between providing baseline community services and creating a productive work force. As noted in several other cases, while in theory the public support which Operation Brotherhood receives represents a public fee-for-service, in a business sense the built-in funding limitations (fixed periods, cash-flow, low overhead, and uncertain futures) make it difficult to conceive of a move toward self-reliance. Yet the board of OB has taken strong measures recently to insert and enforce normal business management practices on the programs, and the ten-year-old agency is just beginning to move in a direction away from the tendency to over-employ and thus undertrain and place its CETA trainees.

At this point in time, OB is in its third year of investment in the solar greenhouse activities and the results indicate that despite the small scale of the operation, it is one of the most profitable programs at the

center today. As the cannery and larger greenhouse develop further, and as the food pantry becomes more of a low-cost store and less of a social service program, Operation Brotherhood will continue to demonstrate how provision of food and related services can build a viable and sustainable community economic base.

T. 18th Street Development Corporation, Chicago, Illinois

The 18th Street Development Corporation is a not-for-profit community organization that implements housing rehabilitation, construction training, block improvement, and economic development programs in the Pilsen community of Chicago. The ESDC's mission statement expresses the organizational purpose: "In view of the long history of the 18th Street/Pilsen areas as an oppressed community, the ESDC exists for the purpose of implementing self-help community development programs for its low-to-moderate income residents in order to insure their future in the neighborhood."

Pilsen is a largely Mexican-American community on the near southwest side of Chicago. As the historical port of entry for most of Chicago's immigrant groups since the mid-1800's, Pilsen is marked by an old deteriorating housing stock, inadequate schools and recreational facilities, and the emergence of small investors and speculators who are causing external development pressures for existing residents. Recent studies indicate the presence of over forty abandoned buildings, the loss since 1960 of over 1,100 housing units, the new construction since 1960 of five units, the need for major repair of 424 structures, and extremely conservative estimated unemployment rate of over 15%.

The 18th Street Development Corporation was formed to implement self-help community development efforts for low-and moderate-income residents of Pilsen. Growing out of initial efforts, such as the Pilsen Rehab Project and the Pilsen Neighborhood Plan, ESDC has focused its efforts on the problem areas of unemployment, industrial flight, neighborhood deterioration, underrepresentation of Latinos in the building trades, and displacement of existing residents and institutions.

ESDC provides construction training for unskilled neighborhood youth through the substantial rehabilitation of abandoned buildings. It was the first community-based organization in Chicago to successfully negotiate a pre-apprenticeship agreement with the District Council of the Brotherhood of Carpenters. As a result, graduates from the ESDC program are placed in union apprenticeships or with private contractors. In late 1978, this project was expanded through a Department of Labor demonstration project called Ventures in Community Improvement (VICI). Without changing the focus or methods of the ESDC program, VICI allowed the organization to expand the number of trainees from six in 1978 to seventy-four in 1979. As of December of 1979, their training accomplishments in the housing rehabilitation program were as follows:

Employment Training Total		In Training Dec. 1979	Union Placement	Construction Jobs	Other Jobs	No Placement
1979	74	21	18	5	18	11
1978	6	-	1	3	1	1
1977	10	-	5	2	0	3
Total	90	21	24	10	19	15

The figures for housing units actually rehabilitated are equally impressive

Completed:

1900 S. Carpenter	4 units
1823 W. 17th Street (rear)	2 units

In Process:

901 W. 19th Street	6 units
2033 W. 21st Street	2 units

Rehabilitation Planning Initiated:

1902 S. Carpenter	2 units
1024 W. Cullerton	4 units
1839 S. Carpenter	11 units
917 W. 18th Street	30 units
TOTAL	56 units

In years previous to 1979, the ESDC completed work on 3 buildings consisting of 7 units. As can be seen from the above analysis, the ESDC's production and planning capabilities have increased dramatically. Equally important as the number of units is that 70% of all ESDC's rehabilitated apartments are three and four bedrooms, thus meeting an urgent need of many Pilsen families. In addition, ESDC maintains a substantial housing counseling effort for homeowners in Pilsen, with a caseload of 116 in 1979.

ESDC has also initiated a number of other neighborhood development efforts which do not fall easily into traditional program categories. During 1979, for example, construction was completed on a 400 square foot solar-reliant greenhouse. This was the culmination of a 2 year joint effort with the Center for Neighborhood Technology, and involved the efforts of both a training crew as well as over 60 volunteers and the involvement of over a dozen Pilsen agencies. It provided an unusual training site for some of the people in the pre-apprenticeship programs. The requirements of the Chicago Building Code forced the designers to employ structural steel. ESDC's approach to this problem was typical of their attitude of turning problems into opportunity: they initiated a joint training program with

Latin American Task Force in welding training, and 5 youths received their union welding certification certificates from the effort.

Other development efforts during the past year have included:

1) Co-submitted with the Pilsen Housing and Business Alliance a proposal to the Economic Development Administration to conduct a feasibility study for the industrial development of the 16th and Canal Urban Renewal Area. Funding will start this fall on this unique program focused on serving the needs of the existing industrial establishments, rather than on adaptive re-use.

2) Obtained the services of the Center for Urban Economic Development at the University of Illinois-Chicago Circle to perform a feasibility study for the ESDC to start a for-profit construction company.

3) Received, through joint efforts with CNT, funding from the Illinois Institute for Natural Resources for the area's first demonstration passive solar heating system. This will be located in the residential component of their headquarters building, to practically meet the heating needs for the four apartments there, and to provide further exposure for their trainees in solar technology.

Although ESDC has the familiar problem of a contradiction of top priorities--job readiness training for unemployed local youth, and building rehab of severely deteriorated local housing--this contradiction has been recognized and dealt with from the program's inception.

The problem of CETA employee accountability to the community group was bridged by the training program's relationship to the local carpenters' union. All workers who finished the training program were guaranteed positions and union cards upon "graduation." Secondly, both the union journeymen who provided supervision and training, and the CETA workers, were fired if their performance was unproductive. This practice involved major debate within the organization before it was decided upon.

Secondly, and even less easily resolved, is the contradiction of producing training graduates whose skill level was commensurate with trade union expectations, and producing rehabilitated housing at a profitable rate. This was resolved by a decision to make the needs of the neighborhood youth the top priority.

The success of the VICI program has caused several other Chicago CBO's to adopt a carpenter union agreement as part of their rehab programs. This has stiffened the competition for guaranteed union placement after training. This problem is exacerbated by the housing recession. ESDC now finds itself faced with union demands for Pilsen neighborhood area contracts for construction and rehabilitation, to guarantee work for its members. The Pilsen income level and size limitations simply cannot accommodate such an arrangement.

This problem has placed ESDC in a quandary. If it fills its 60 CETA training spots, the program director anticipates guaranteed union slots for

only half that number this year. He is undecided as to the potential value of training without placement.

He is also dubious as to the value of continued CETA involvement at all. The problem of minority underrepresentation in the union is somewhat alleviated through VICI but, as he puts it, "CETA masks the true operating costs of the venture. Public money clouds the issues of local economic development, the problems of creating businesses which will provide a return on investment."

ESDC is currently planning the establishment of a for-profit subsidiary which will operate in the Pilsen area, and could provide private sector employment for future VICI graduates.

U. Career Pathways in Energy Conservation: Technical Development Corporation, Boston, Massachusetts

Technical Development Corporation is a 12 year old not-for-profit research and development agency operating primarily in Massachusetts and other New England states, which has had a good track record in job development programs in a variety of areas. Currently, TDC is involved in energy-related areas involving a multiplicity of approaches, ranging from comprehensive energy policy planning to energy education programs, has helped the Jamaica Plain Neighborhood Development Corporation set up their neighborhood energy company (q.v.) and has developed business strategies for energy conservation enterprises.

The Career Pathways in Energy Conservation program stems from a request for funding proposals out of the Philadelphia-based Corporation for Public and Private Ventures. The Technical Development Corporation conceived a proposal which ties 3 Massachusetts CETA prime sponsors training in "Solargy," and do this through a public-private partnership with 3 local manufacturers for training sites.

"Solargy" refers to the industry developing around solar technology. TDC's research indicated that both development of marketable solar devices, and federal subsidy programs for private investment in energy conservation for residential buyers, were approximately one year from becoming an active job replacement source for the Boston area. They located two training sites in factories which produce solar devices. They negotiated with both the Boston and Andover CETA offices, and the regional Alliance of Business for specific recruitment and training contracts. They contracted for 25 double cycle slots per site. The contract budget is $380,000. Job preparedness training and "solargy" education is provided for 8 weeks, on the work site. These workers are then employed by CETA on-site for 10 weeks for CETA work training, and training with the subcontractors. Two instructors and counselors are provided per site.

Several problems have surfaced during the first cycle in this procedure. Number one, the CETA offices were "unaggressive" in their recruitment efforts, so that TDC and the Regional Alliance were hard pressed to select qualified candidates from the small sample of applicants. In fact, they

were able to fill less than the 25 available slots per site.

Secondly, there are several CBO's in the Boston area with basically similar programs. Therefore, there is tough competition for private sector placement slots after training.

Thirdly, the energy utilities have contracts with government to do auditing and weatherization with their own construction teams.

Fourth, there is no cooperation between this effort and the local unions.

Fifth, the areas of prime youth unemployment are not where the CETA offices are located, which complicates the effects of a limited applicant outreach program.

Lastly, as elsewhere, all construction activity is slow, amplifying the frustration to work through the other problems.

This program and its initial results will make for an interesting comparison and contrast with the California Solarwork Institute (q.v.), where there is increasing demand in the construction trades for solar installers.

V. The Neighborhood Institute, Chicago, Illinois: The Community Rehabilitation and Environmental Maintenance Works

The Neighborhood Institute is a two year old not-for-profit affiliate of the Illinois Neighborhood Development Corporation (holding company for the South Shore National Bank). INDC was founded by a group of innovative south side investors with banking experience who were interested in establishing a neighborhood development institution which could reverse the spiral of deterioration in the South Shore community area. They were able to do this in part due to a Federal Reserve Board ruling which stated that bank holding companies could make "investments in corporations or projects designed primarily to promote community welfare, such as the economic rehabilitation and development of low income areas."

From the bank's beginnings, the offering circular for investors candidly stated that ". . .the corporation expects to. . .provide technical assistance and to make grants related to neighborhood development. . ."

Following this philosophy, TNI was incorporated, and now manages programs in housing counseling, housing rehabilitation employment training, energy conservation, and overall community development. TNI is complementary to other INDC affiliates, including a for-profit development arm involved in joint ventures with other firms, a MESBIC ("Minority Enterprise Small Business Investment Corporation"), and the bank itself.

Pursuant to the objective of creating strategies to increase the employability of young people in the target community is the establishment of CREW (Community Rehabilitation and Environmental Maintenance Works).

The primary goal of this project is to provide apprenticeship training in carpentry and painting, and skills training in energy rehabilitation and environmental maintenance and, where necessary, basic education and GED preparation for out-of-school, unemployed youth aged 17-21, from Chicago's South Shore area. It is geared toward increasing the long-term employability of these youth; beginning the process of establishing small business training and ownership opportunities that will provide them with stakes in the community; and toward meeting a need of this community for low cost rehabilitation and maintenance services.

The project is training 25 youths who will be paid the prevailing wage scales of the respective areas, ranging from $4.50 to $6.00 per hour. During the first 10 weeks (Track One), each participant's training includes pre-employment orientation, basic education, testing, and orientation to the respective trade areas. Track Two consists of more advanced training in the participant's area of concentration, e.g., carpentry, landscaping, painting, and indoor/outdoor maintenance. Track Three involves participants in "hands-on" training settings. In effect, the objective of completing all three training tracks is a "Track Four": admission to Washburne Trade School with union apprenticeship status.

The tracks are a framework which shows participant progression. While Track One is designed for ten weeks because of the nature of the activities, progression to Tracks Two and Three will depend on the individual's level of skill development. A "tri-focal" evaluation model will be used, featuring assessment of effort, assessment of effect, and assessment of process.

The major results of this project for the participants will be: 1) the provision of a marketable skill through apprenticeship training; 2) the provision of employment within the private sector; 3) the attainment of GED certification where needed; and 4) the initiation of a small business under the auspices of The Neighborhood Institute.

The benefits of this project accrue not only to the CREW participants, but to the larger community as well. The former receive marketable skills and a concrete job opportunity; for the latter, a service will be available in the community for which there is considerable demand--access to a small-scale rehabilitation and environmental maintenance service. Further, the resulting physical improvement of the community will benefit all South Shore residents.

The program received its initial funding from the Department of Commerce and Community Affairs in March of 1980. Trainees, co-identified by TNI staff and participating unions, began arriving on April 1, although finalized agreements with the carpenters' and painters' unions held up bringing journeyman supervisors on board until May 5.

The training course consists of approximately one-half classroom and one-half work experience. The full complement of 25 trainees is divided into 2 carpentry crews of 8 persons each and one environmental maintenance crew of 9. Each crew is supervised for work experience by a journeyman-level trainer-supervisor.

The initial work experience for the carpentry crews involved renovation of a community center for The Neighborhood Institute, and all crews are currently receiving experience through providing service to the TNI-South Shore Housing Center multi-family housing rehabilitation demonstration elsewhere in the community.

Helen Richardson, program coordinator, expects at least 6 "graduates" to enter Washburne Trade School this October: 3 carpenters and 3 painters. The balance will continue their training until qualified for entry.

TNI and South Shore, like all the groups in this section, are faced with the construction recession and concommitant increase in union self-protection. However, the union officials were enthusiastic about the program, as was the Department of Commerce and Community Affairs, and through negotiation the following trade-offs were reached.

First, as in Pilsen, the unions wanted projects guaranteed in the neighborhood for their workers. TNI didn't want its trainees on the carpenters' union waiting list, it wanted its trainees in local projects. Unlike Pilsen, there is substantial construction and rehabilitation being developed in South Shore. As a trade-off, TNI agreed to pay into the union pension fund.

Also, the proposed budget didn't take into account the cost of high-risk unemployment workers compensation. As it turned out, this cost added $75,000. TNI negotiated with its insurance company to prorate this cost.

This program required many months of skilled negotiation with cooperating union representatives, as well as with Illinois DCCA, who provided funds from the Governor's discretionary CETA grant program.

TNI is intent on spinning off a business enterprise for direct employment from this effort. The focus would be on community contracting in South Shore for such services as landscaping, snow removal, and porch repair. There is currently a demonstrable demand for these in South Shore.

Clearly, TNI's access to professional and sophisticated financial creativity, both at the South Shore Bank, the Illinois Neighborhood Development Corporation, and a related MESBIC, has allowed its proposal to go far beyond the normal CBO start-up potential.

W. The Woodlawn Organization Urban Restoration Project, Chicago, Illinois

The Woodlawn community area is located south of Hyde Park, adjacent to the south campus of the University of Chicago. Community residents, the Woodlawn Ministerial Alliance, and other community organizations concerned about university expansion and minority displacement began organizing in 1960 to develop community capacity to plan for the area's future. Work with the Industrial Areas Foundation in 1961 led to the incorporation of The Woodlawn Organization (TWO). Throughout its 20 year history, TWO has become a leader in developing mechanisms for community economic development. What began as a coalition of community residents and block clubs has grown into a $27 million economic hegemony, including a joint-venture supermarket, 1,300 units of housing, 450 employees, and a $5 million annual budget.

Concerned about the 40% youth unemployment rate in the community, in 1977 leadership from TWO began examining the potential for using their own economic development programs as an arena for youth employment training. TWO subsequently became one of ten special demonstration program grantees funded with special funding from the Department of Labor through the HUD Office of Neighborhood Development, for what became known as the Urban Restoration and Conservation Corps. URCC was funded to impart marketable and basic skills to unemployed youth in the 16-19 year age bracket, and was funded at an initial level of $1.2 million annually to support 160 trainees. TWO contracted with the Hyde Park Career Academy to provide classroom training, and with their own network of over 100 block clubs to identify community needs for environmental maintenance work. Trainees received training in subjects ranging from simple carpentry to gardening to landscaping and even animal husbandry. Community residents, community organizations, and individuals "contracted" at no cost other than maintenance guarantees for work ranging from porch and fence repair, painting, vacant lot landscaping, garden planting, and pothole repair. The initial program averaged a rate of 20 completed sites per month over the first 2 years of operation. In the initial operation, despite the difficulties of working with this age group, dropouts and trainees enlisting in the armed services, approximately 40% of trainees were placed in construction work, received union apprenticeships, or were placed in jobs with other TWO affiliates.

This program has led to four separate efforts in youth employment:

1. A continued not-for-profit youth employment demonstration program.

2. The creation of the Woodlawn Home Improvement Corporation, Inc., a for-profit wholly-owned subsidiary of the Woodlawn Community Development Corporation, TWO's development arm.

3. A parks maintenance contract with the Chicago Park District.

4. An exploratory effort to create another subsidiary, to consist of a Woodlawn gardening center as a commercial enterprise.

The continued youth employment training and demonstration program has been re-funded at a level of $800,000 for fiscal year 1981, and will be training 60 youth carefully selected from the community in a closely monitored program. The work areas and organizational arrangements will be as before.

The Woodlawn Home Improvement Corporation was set up to take advantage of TWO's own activities in joint venture construction contracting with a variety of large private market developers. For example, construction is nearing completion of a 300 unit high rise which was a joint venture with Crane Construction Company, for which WHIC received the interior decorating contract, which is being handled by a crew of 6 apprentice decorators and 1 journeyman, the apprentices having previously been trainees in the URCC program. WHIC is providing a variety of light rehabilitation jobs on TWO's own inventory of housing stock (1,300 units) ranging from repair work to weatherization, and is taking advantage of their joint venture relationships to increase their borrowing capacity for interim financing as a construction

bidder, WHIC currently supports 25 full-time skilled positions, and is exploring the potential for energy-related contracting in the surrounding area.

Based upon its environmental maintenance experience in the URCC program, TWO was able to successfully bid on a parks upgrading and maintenance contract for Jackson Park with the Chicago Park District, funded in part by the Department of Interior Urban Parks and Recreation Program, which will enhance the availability of work experience for trainees.

In addition, TWO has been exploring with the Center for Neighborhood Technology the potential for creating a Woodlawn gardening center as a commercial exterprise. The center would provide the following services: 1) sales of gardening related tools and materials; 2) sales of plants propagated in a commercial scale solar greenhouse; 3) power tool repair; and 4) landscape contracting. TWO hopes to complete a business plan for the venture this winter.

X. Alternative Schools Network, Chicago, Illinois

Inner city youth unemployment is one of the major problems facing American cities. Conservative estimates place Black inner city teenage unemployment at 35% and Latino youth unemployment at 48%. The national high school drop-out rate is now approximately 24%, but substantially higher in disadvantaged communities. Chicago is now reporting a drop-out rate of 35%.

Businesses have fled the communities where poverty-level youth reside. In the past 10 years, there has been a net reduction of 150,000 jobs in the city of Chicago. When job opportunities do develop, many high school graduates do not have either the technical skills nor the realistic and productive attitude necessary to hold a job. Many inner city youth have the additional handicap of coming from communities where unemployment is so endemic that there are few role models of productively employed adults.

Community-Based Education

Over the past 10 years, Chicago's alternative high schools and youth centers have emerged in many communities to fill a part of this substantial void. Each institution was started by, and is sustained by the initiation and continuing involvement of community residents, including centrally the parents of the youth participants. The Alternative Schools Network is a Chicago-wide consortium of 45 neighborhood schools. ASN coordinates common programming and seeks resources which can support the individual mission and program of each member organization. ASN's schools have developed a reputation for their capacity to respond to and then to educate problem students and drop-outs for whom the public school option has not proved effective. In many instances, the students at the alternative high schools have been referred by the public schools, reflecting the special needs of the students. Several participating youth centers maintain formal counseling programs in their neighborhood high schools.

Community-Based Work Education

Chicago's alternative high schools and youth centers provide an ideal context for an innovative approach to teenage unemployment and the problem of educating inner city youth to find a productive, and even creative, role in the broader economy. Statistics point out a critical need for these schools. In Chicago, according to Jack Wuest, coordinator of the ASN, almost 45% of all high school students drop out (nearly twice the national average of 25%).

Twelve months ago, 12 ASN member programs, under a common grant from the Corporation for Youth Enterprise, launched student-run businesses as a way of providing both income to low-income youth and a context within which to reach and to motivate young people towards work experience and work habits. ASN's project is one of 48 in the U. S. funded by Department of Labor to provide job training for inner city teenagers still in school. Chicago's grant of $419,000 is administered by Youthworks, Inc., which channels the city's money through the Mayor's Office of Employment and Training. After receiving the money from the city, ASN channels it to the individual projects.

To obtain funds, each school or youth center submitted a proposal to the ASN. After becoming eligible, each project had to meet the Department of Labor's basic guidelines to provide job assistance training for inner city youth, especially those who have been chronically truant. Other guidelines set the amount of money allotted to a program and the number of hours each student can work. Twelve programs applied for funds, and each received grants ranging from $25,000 to $29,000. The network, however, is not empowered to make policy or funding decisions, but it does act as advocate for the projects. The Department of Labor can obviously deal more effectively and efficiently with the ASN than with 12 individual projects.

Project Background

For the past year, the ASN has operated a youth employment/education program whereby 12 neighborhood schools and youth centers involving over 140 young people operate specific business/service projects that provide useful and productive services to their neighborhoods. The objectives of this program are to prepare, and to learn how to prepare, inner city youth for productive work in the wider economy. The projects are managed by the young people involved, and link productive and useful community work to basic educational skills development.

Because of their interest in the projects, the program can be credited with helping to keep in school many students who had been kicked out, or dropped out of the public schools. Each of the paid students in the project interviewed said that the program helped him/her to build academic and vocational skills. The youth-run businesses, coordinated by the ASN and financed by the Department of Labor under the Youth Employment Demonstrations Project, are a significant component of alternative education.

The projects are linked to the neighborhoods where the schools and community centers are located. They are teaching vocational and academic skills to people who need them most. They are also helping to rehabilitate run-down buildings, provide low-cost food, nursery school services, and employment counseling in the neighborhoods that need them most.

Key factors is making the projects successful are: 1) low youth/adult ratio (no more than 1 to 8); 2) the work done is useful and productive in the wider world; 3) the work is interesting to perform and under the students' control; and 4) it is linked to basic skills and educational development in formal (alternative school) and less formal (youth center) settings.

The 1979-80 project includes a mix of businesses and services, including a print shop; 2 youth employment agencies; 2 home repair and rehabilitation projects; 2 food coops; a community education workshop project; a retail shop and furniture making business; a day care center; a school supply store; a bakery; and an arts and crafts project.

In January, 1980 an internal project evaluation determined that the future success and expansion of this youth employment approach must place as much as, or greater emphasis on the economic soundness of the business per se as on their educational benefits.

At this point none of the programs is making its own way. In fact, unless the Department of Labor funding continues in 1980, the existence of several will be seriously threatened. If the grant is really intended as seed money, however, it should continue. Each project is relatively new and all new businesses need at least a couple of years to get established. The grant was scheduled to begin about a year ago, but actually started 6 months later. During that period the ASN was working out money and guidelines issues with the Department of Labor and Mayor's office.

Another problem hindering the businesses from becoming more self-sufficient is that most of them operate only about 15 hours a week because of students' schedules and a limited amount of money to pay workers. If these projects were organized as real full-time businesses with heavy student participation, there would be a greater chance of self-sufficiency. But helping young people become employable has to remain the highest priority.

The guidelines which stipulate that any income received by the businesses must be turned over the the Mayor's Office of Employment and Training for 3 months also make self-sufficiency a difficult proposition.

As a result, each of the 12 sites launched an in-depth business planning process to focus and clarify the scope and market of its business and move towards economic self-sufficiency. These business plans were developed with the technical assistance of June Blum, the South Shore Bank Small Business Consultant who has been responsible for the revitalization of South Shore's 71st Street commercial strip. Due to this activity, the ASN project has entered what might be best termed a new phase of the program, involving cooperative economics and product redefinition.

Program Overview

This program will enable 12 existing student-run neighborhood businesses to develop into full-fledged businesses with the capacity to sustain themselves for the long term. Each business, located in well-established alternative high school or youth center, would not only provide student-created jobs in neighborhoods where jobs for teens are virtually non-existent, but would also

provide a "real world" context for the acquisition of academic and developmental skills which are essential to success as adults.

To enhance the business realism of the projects and to create the appropriate economic incentives, it is a long-term objective of the projects to pay participants on an incentive basis through commission, piece-work, or profit sharing. On a transitional basis, however, CETA stipends may have to be utilized, both because the local markets for the products of the youth-run businesses may be weak or the full funding level for the project is not achieved.

Youth Cooperatives

Each school would have a formal cooperative organization of students involved in its various production processes. Each cooperative elects officers, selects persons to be responsible for handling books, inventory, meeting production schedules, and all aspects of the business venture. In cooperation with the school faculty and technical assistance from ASN, students will have the opportunity to choose between various alternative products and services as the project(s) of the cooperative. To the extent to which renumeration can be on a piece-work or commission basis, each participant will be strongly motivated to understand the underlying economics of the business, so as to maximize his/her productivity and hence his/her income. Each youth cooperative would be encouraged to see itself as a producing community, providing services to address the needs of their neighborhood and the wider community. Eventually, the cooperative at each site might have several production processes happening simultaneously, each one of which would be responsible for the management (and finances) of its part.

Continuing Businesses

During the next two years, 10 of the 12 sites will be continuing the business which they already have developed; 2 schools will be changing to new and more promising businesses. These continuing businesses range from a print shop and bakery at one end of the productive spectrum to a day care center and job placement service at the other.

Most of these businesses have had a difficult first year of existence. The Federal grant under which they were funded began in May 1979 rather than the projected October 1978, a devastating delay for a school-based project. In addition, for many months, all income from the businesses was required to be escrowed for 3 or more months as a "fiscal control" by the City of Chicago. Despite these obstacles, the 12 ASN student businesses and the schools which sponsor them have grown both in their gross revenues and in their understanding of the imperatives of survival as small businesses. Initially, most of the projects were substantially more concerned with and effective with the educational "spin-offs" of their businesses than with profit and loss. Today, as a result of an exhaustive 3 month planning process, each one has developed its own formal business plan with its route to economic self-sufficiency within 3 years.

Each business, with the assistance of the small business consultant, has more carefully defined its market, improved its technology and productivity such that there is a realistic projection that, within two years,

each business will be able to pay all of its operating expenses, minimum wage or better wages to its participants, and contribute to part of the cost of the teacher/advisor.

The first months of the 1980-81 program will be devoted fully to the implementation of this individual, self-developed business program, at each site.

Producers' Cooperative

Once the initial business is launched, sites will be able to expand their program to include second and third businesses, but with the focus on developing interlocking and complementary cooperative businesses. This second level will involve a network of similar businesses, such as growing and selling sprouts, furniture making, energy insulation work, etc., that will work together as a producers' coop, to develop joint marketing, merchandising, management, and fiscal strategies.

The first producers' cooperative business plan has been developed by the Center for Neighborhood Technology, a not-for-profit technical assistance agency governed by and serving Chicago neighborhood organizations. This plan proposes a network of sprout production units in ASN high schools and youth centers which would be drawn together into a marketing group under the management of ASN.

Other products and services which will be considered for subsequent producers' cooperatives include the following:

1. Energy related:

    a. weatherization kits
    b. weatherization service
    c. insulated window shades

2. Craft related:

    a. bookcases
    b. toys

3. Retail sales related:

    a. records and ticket sales
    b. cleaning supply distributorship

4. Service related:

    a. job placement service, reimbursed on a per placement basis.

Each proposal for a producers' cooperative will be evaluated by the following criteria:

1. Production process technology is appropriate to students' level of skill and motivation.

2. Clear and definite demand for the product and an already determined distribution mechanism.

3. A mark-up margin sufficient to result in a higher than minimum wage for students who work conscientiously.

The timing of the launching of the producers' cooperative will be determined by the amount of energy which the initial business requires. The first producers' coop may be launched in spring of 1981 in several sites with expansion to other sites as time and energy permit. The producers' coop would be simple to start because of the prior development and support role of ASN.

The Role of the Alternative Schools Network

ASN will play a number of supportive roles to the student coops:

1. Opportunity Assessment

2. Venture Capital Allocation

3. On-going Business Consultation

4. City-wide Coop Organization

The definition, evaluation, and adoption of products and productive processes would happen at 2 levels, at ASN and at the individual coop.

Neighborhood Business Advisory Panels

Each of the 12 ASN participating institutions is developing a Neighborhood Business Advisory Board to provide support for the student-run business. In some cases, these Boards will provide general business management expertise.

Project Outcomes

As stated previously, the objectives of this program as to prepare, and to learn how to prepare, inner city youth for productive work in the wider economy. Specific outcomes to be monitored throughout the project on a long-term basis relate to the participants, the schools and youth centers, the business ventures, and to the cooperative aspects between them. Seed funding for the producers' cooperative is being sought from private sources and the Consumer Cooperative Bank, while ongoing support for the existing business ventures is expected through city, state, and federal sources.

At a time when youth unemployment and public school curriculum irrelevancy co-exist, the ASN effort represents a creative meshing of innovative tools and community commitment of an unparalleled degree. Its "success" or "failure" will most likely be a function of willingness of funders to 1) support on more than a year-to-year basis, and 2) recognize the significance of organizational transition from a complete service orientation to one which is partially about the business of youth job opportunity creation through building effective community business.

SUMMARY

In addition to the preceding projects reported as case studies, the project team visited CETA projects extensively in Chicago, Cook County, and the "collar" counties in Illinois. Other projects were visited in Dallas, Texas; Milwaukee, and Madison, Wisconsin; Los Angeles, San Bernardino, Oakland, and San Francisco, California. These included Opportunities Industrial Councils, Urban Leagues, various job referral and placement services, prime sponsor projects, YMCA and YWCA projects, National Alliance of Business projects, etc. Over 60 projects were visited but the case studies were written on those projects deemed most successful in terms of real job creation - actual or potential - and holding direct implications for community revitalization and community economic development.

As such, they constitute potentially replicable models and led the project team to many of its recommendations. To sound a cautionary note, though, it must be clear that one can't just examine a program, deem it successful, and pick it up and plant it elsewhere and expect it to grow. Much more than that is involved. . .leadership, support, community involvement, needs assessment, marketability of program, services and products, etc. Communities, neighborhoods, economic conditions, individuals, all vary so that it's virtually unlikely that transplantation per se will automatically work. What is likely to work, however, is to study a successful model and adapt it to the local situation thus perhaps changing its dimensions to relate more directly to local needs, objectives and goals. This is why the central role of community organizations is so crucial.

ANALYSES AND RESULTS

Introduction

What can be learned from the site visits, collected materials, interview notes, tape recordings, subsequent project team discussions and analyses and minimal Program Advisory Committee (PAC) deliberations?

The need to report to two subcommittees of the Illinois Department of Commerce and Community Affairs (DCCA) months before the project was completed led to the early drafting of 25 tentative ideas that were based on the visits made up to that time. These ideas were refined by the staff, the PAC and its working task force, and are implicit in the Recommendations section of this report which follows this section.

Job Creation/Job Training

Our first analysis led us to conclude that, despite finding a number of successful CETA projects that actually contributed directly to the creation and filling of new jobs, in general, there isn't much job creation out there. In itself, that's not surprising. Job creation, the deliberate use of CETA to develop real jobs - subsequently moving CETA participants into private or public profit-making or non-profit permanent jobs - is fairly rare because federal policy on employment training has not stressed job creation. As one community leader put it, "Our job is to teach youth how to work, how to get and hold a job. . .any job. If we do that, then we've succeeded. What kind of work our CETA youth do is incidental to that purpose." Other leaders were more concerned with the skills to be learned by unemployed youth through CETA processes. All those interviewed emphasized positive work attitudes as being crucial. Getting to work on time consistently, learning to take and follow through on orders, regular attendance both on the job site and in whatever educational component the project provided, developing positive relationships with fellow workers and supervisors, etc. were stressed everywhere. In every successful project we found trainers and supervisors who were tough, firm, fair, concerned, experienced, mature, supportive persons who accommodated uniquenesses, tolerated individual differences, but always held high job standards. Where youth did not show progress in positive work attitudes and behavior and increasing quality in work skills - if they just refused to conform - then they were fired. That message was not lost on the participants.

Job creation as a singular purpose needs to have the deliberate attention of CETA, prime sponsors, and community organizations if it is to gain more adherents.

Community Involvement

In addition to the fact that federal policy and practice does not encourage job creation, another related issue was readily apparent. In all the successful projects that were visited, community organizations were involved. This link is crucial. The community organization's voice, their own definitions and perceptions of their goals and needs, their own view of

their purpose and the use of CETA as a tool to accomplish these purposes were all implicit in successful programs. The salient issue though is that CETA is a tool. Its policy is not always directly related to community business or economic development. Yet, as we all know, the majority of the nation's real new jobs are directly related to the development and expansion of small businesses. Local small businesses are vital to the economic health of neighborhoods.

The bottom line is that CETA should be used as a tool linked much more closely to community and economic development if substantial progress is going to be made toward both community betterment and job creation. Many programs work, and work successfully, with just employment training goals. But projects where those goals are directly linked to community and economic development goals work even more successfully.

Job creation and local community business and economic development should be linked with available CETA programs wherever and whenever possible. The relationship with a community based organization is crucial and should be considered as a major criterion in prime sponsors' prioritizing of potential CETA project awards.

Multiple Funding

Another quickly observed factor is the fact that most successful programs have been funded from multiple sources. The assistance of philanthropy, corporate giving, local residents, churches, United Ways, local businesses, banks and other lending institutions, state and federal incentives of various kinds, etc. often enables a CETA project to succeed better than might be expected if a project is CETA funded alone along with CETA's multiple constraints.

Multi-Year Funding

Further, these successful projects, in one form or another, tend to persist, not cease, when the federal one-year funding ends. This constitutes a powerful argument for multi-year funding or at least the commitment for multiple-year funding subject to appropriations, successful evaluation and monitoring, etc. It makes sense to build upon productive success. It makes little sense to fund a project which gains the necessary leadership, training/supervisor skills and community linkages, which experiences its successes and mistakes, and then withdraw the funding.

Limitations/Administrative

We also learned quickly that the limitations on administrative money constitute a severe handicap. To run a CETA project effectively on a 5% (of project cost) administrative limit - without additional "outside" funding - is exceedingly difficult.Even in YCCIP programs where administrative supervisory costs may not exceed 35% (of project costs), project directors complained about arbitrary and insufficient limits. Prime sponsors in the major cities visited also complained of inadequate personnel and administrative costs - especially when a new or expanded federal initiative is

suddenly, and sometimes unexpectedly "dumped" on the cities, for example, sudden expansion of Summer Youth Employment Programs (SYEP) or sudden increases of Public Service Employees (PSE) programs.

Limitations/Paperwork and Monitoring

Practically everyone, everywhere, when asked about CETA constraints, complained about the inordinate paperwork, numbers and kinds of reports, frequently changing forms and types of reports, and the monitoring system. As far as the paperwork is concerned, these complaints have been heard and addressed at the congressional level. Secretary Ray Marshall's Department of Labor 1979 report to the President and Congress noted that while data requirements are "being kept to the minimum possible under the new law, the increased complexity of program requirements. . .will certainly add to sponsor (and project, we add) costs for insuring compliance. . .requirements pertaining to program administration. . .are expensive to implement and maintain. They include new requirements for independent monitoring units, client eligibility verification. . .staff bonding. . .data collection, processing and reporting." 14 /

With respect to monitoring, most complaints had to do with punitive attitudes; lack of knowledge and experience; inept, insensitive and inflexible analyses and reporting; and a general lack of understanding of community organizations. Given the "defense procurement model" of CETA, the new monitoring requirements, the "monitoring of the monitors", and the flood of changing forms, it's little wonder the complaints are vocal, frequent and heated. Yet the successful projects persist and the projects and the primes struggle to conform.

Parenthetically, the project team perceived considerable anxiety implicit in CETA no matter what level was visited (federal, state, primes, projects) or where the visit took place. The successful projects were observably less anxiety-ridden than others. The observed anxiety related to the paperwork requirements, monitoring, year-to-year funding, changing programs, etc. The CETA policies, programs and practices tend to create anxiety and cause frustration all too frequently. The project leader "burn-out" syndrome was related to CETA anxiety in the eyes of a number of critics.

Quality of Leadership

Despite "burn-out," the most effective projects visited were characterized by dynamic continuing leadership. The team was impressed by the high quality of project directors. Practically all were bright, articulate, sensitive, well-informed, goal-oriented individuals with instantly observable leadership qualities, comprehensive views of CETA and their own community

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14 / Employment and Training Report of the President, U. S. Department of Labor and Department of Health Education and Welfare, Washington, D.C., 1979, p. 220.

organizations and prodigiously energetic and effective in their work outputs. They are dedicated, committed and effective. Many expressed a desire for an interchange of information about other projects that are working well. They also felt a need for additional assistance especially in long-range planning and the management of increasingly larger organizations. Several commented upon the lack of formal or even informal training programs for community developers. All commented upon the difficulties inherent in linking together federal resources from several departments in order to use CETA effectively for job creation and community economic development.

Legal Linkages

In response to this plea, the project team executed a subcontract with the National Institute for Work and Learning, Center for Education and Work to prepare a review of CETA and other federally legislated programs entitled "Linking Employment and Training Programs with Economic Development." 15 /

This extensive report reviews CETA legislation that encourages linkages with other federal programs, particularly the Economic Development Administration, and reviews the limitations and restrictions of CETA on types of activities, terms of participation and wages and supplementation. It relates CETA to the Public Works and Economic Development Act of 1965, the Housing and Community Development Act of 1974 as amended (including Urban Development Action Grants, Community Development Block Grants and the Community Re-investment Act of 1978), the Economic Opportunity Act of 1964, the Urban Mass Transportation Act of 1958, the Consolidated Farm and Rural Development Act (Farmers Home Administration) and the Revenue Act of 1978. The report details ways in which CETA can relate to these other programs and cites the legislative references. In addition, it offers several examples and program models. Pending legislation at the time of writing is discussed and all the Interagency Agreements thus far executed between the Department of Labor and other federal departments are appended.

Linkage Examples

The Minneapolis City Council has passed a resolution giving preference to projects that link CETA opportunities to the city's economic development program. Organizations that receive public assistance, such as CDBG funds or Section 312 Rehabilitation Loans, must agree by contract to provide training or unsubsidized employment for CETA eligibles. Organizations with the better track records of hiring or placing CETA eligibles are given priority for economic development grants.

The Mayor of Boston took similar action by Executive Order effective October 15, 1979, requiring that all construction contracts to which the city is a signator must employ not less than 25% minority employees, not

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15 / Susan J. White, Linking Employment and Training Programs with Economic Development, a TRUST, Inc. report prepared by the Center for Education and Work of the National Institute for Work and Learning, September, 1980, p. 120, available from TRUST, Inc.

less than 50% Boston residents and not less than 10% females - all measured in percentages of total man-hours.

Also, in Boston, the Private Industrial Council encourages and monitors coordination between the city's CETA system and its economic development program. The Council views its training resources as a tool for job creation - a means to attract industrial development and to retain Boston's manufacturing base. For this reason, the Council gives first priority in disbursing its training funds to firms expanding or locating in the city. In addition, it has reserved a small pool of its funds to provide customized training for expanding small and minority owned firms, particularly those identified by Boston's Economic Development and Industrial Corporation and by local community development corporations. By targeting its resources and tailoring its training to employer specifications, the Council strengthens the local tax base, fosters economic growth and provides stable, permanent jobs for city residents.

To support its program initiatives, the Council is designing a comprehensive marketing plan to alert companies to available business assistance programs and to increase access to private sector jobs for Boston's unemployed population. The marketing strategy is based on the development of a sales package - or portfolio - that contains an array of incentives and aids to business: training and upgrading, tax credits and abatements and economic development programs that exist at the federal, state and local level. The marketing staff, then, will serve as intermediaries between business and government agencies - the contact point for matching private employer needs with public training and development resources.

In Seattle, Washington, the city's "Joint Venture; A Private and Public Employment Network" intends to link all five federal agencies which have signed bilateral interagency agreements with DOL. The program which is funded by HUD and DOL focuses on providing technical assistance in entrepreneurship to women and minorities to develop small businesses and on involving organized labor in job training, placement and provision of supportive services for CETA eligible clients placed in permanent jobs created by community economic development projects.

The above examples illustrate the need for coordination and planning at all levels. If CETA is to become a tool for deliberate community economic development and parallel job creation, then the states and cities need to coordinate their mutual efforts. Baltimore, Boston, Hartford and Pittsburgh are examples of cities really pursuing coordinated planning, bringing all available resources to bear upon their revitalization. California, Massachusetts and Pennsylvania make state-wide approaches to the same problems.

DOL Interagency Agreements

DOL's agreement with EDA requires 10% - 15% employment of CETA eligibles. The agreement with HUD/UDAG specifies 10% of such employment. The Community Services Administration agreement sets a goal of 25% while the Department of Transportation's goal is 10% - 15% and the Farmers Home Administration goal is 20%. These agreements are also supported by the Small Business Administration.

The Interagency Agreements are going into operation. As the Federal Regional Centers implement them and communicate to and through the CETA system it should gradually affect project coordination and results. The lever can become larger than a toothpick. 16/ Of course, monitoring compliance via contracts subsequently will become another bureaucratic chore.

This leads to another conclusion. A very large amount of congressional appropriations for CETA goes to sustain and perpetuate local, state and federal bureaucracies. In Illinois a deliberate effort has been and is continuing to be made to see that an increasingly larger share of the Governor's Discretionary Funds goes out of the Department of Commerce and Community Affairs. However, the bulk of those resources still goes to other state code departments and to state-supported institutions of higher education.

Because of these linkages interagency coordination looms importantly in order to accomplish the goals of CETA along with the purposes of job creation and community economic development. DCCA's Illinois Employment Training Council (IETC) has an active Interagency Coordination Committee addressing these concerns.

"Umbrella" Organizations

The project team rapidly became aware of the fact that a large number of projects defined as successful by a number of experts locally and nationally were projects that were a part of another organization. The Manpower Demonstration Research Corporation with its supported work projects, the Corporation for Public/Private Ventures and its Ventures in Community Improvement (VICI) projects, Youthwork, Inc. with its projects are all examples of what might be called quasi-governmental "umbrella" type organizations. Usually funded by multiple sources, but operating largely out of the DOL Secretary's Discretionary Funds or targeted demonstration funds such organizations handle their own RFPs (subject to DOL approval) and funnel out CETA funds to projects sharing their purposes. Such projects have advantages: 1) special waivers on administrative costs or salaries or supervisor ratios to trainees, 2) centralized supportive services, 3) communication linkages with others holding the same or similar purposes, 4) built-in evaluation which can lead to continued improvements, 5) visibility, and 6) frequently good press and public image.

These considerations led us to speculate upon why discretionary and model demonstration funds are limited to the Secretary and to the Governors. Why not develop a percentage of discretionary funds for all other prime sponsors? Why not deliberately link those funds to community revitalization, economic development and permanent job creation?

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16 / Richard Kazis and Peter Sabonis, Leveraging With a Toothpick: The Carter Administration's Private Sector Strategy for Job Creation, National Center for Jobs and Justice, Washington, D. C., September, 1979.

Technical Assistance and Training

Almost all project leaders interviewed asked about other projects visited. A number expressed interest in learning how to go about setting up profit-making subsidiaries. Many felt that they needed to do more long-range planning rather than spending all their time managing the problems of the current project, seeking additional funds and planning for the next project cycle. This led the project team to conclude that there is a persistent need for upper-level project administrators to receive technical assistance.

Illinois DCCA supports the Illinois Manpower Training Institute (IMTI) with Governors Discretionary Funds. The Institute provides technical assistance free to all levels of CETA project personnel mainly by offering over 150 days annually of one and two day workshop conferences. DCCA staff feel that the IMTI program is one of the strongest anywhere. IMTI is planning to expand its program especially for upper level managers. We encourage those plans. In addition, consideration could be given to a management level TA center in the city of Chicago perhaps linked with a state university, which could provide TA expertise and develop appropriate curricula for every aspect of community organizations and community economic development. Getting an advanced degree in such a program, if combined with a meaningful internship in a successful CBO, could be far more productive in developing community leadership potential than just getting a standard MBA or MPA, for example.

Union Relationships

Most of the successful projects visited had developed good working relationships and co-sponsorships with their area labor unions. Some projects such as TELACU and WLCAC began as union projects and maintain close ties with a number of unions. Some projects though have experienced difficulty with labor union relationships if they had not worked at interrelating at their beginning. Due to the economic downturns in some cities affecting fully qualified union members, the pre-apprenticeship approach of CETA didn't or couldn't result in many youth being accepted as apprentices. Nonetheless, usually when the positive relationship was pursued, the unions were supportive and helpful and provided CETA programs with excellent journeymen work crew supervisors. CPPV's VICI projects are excellent examples of these positive interrelationships.

Neighborhood Technology

The state of the art in CETA use of appropriate neighborhood technology (solarization, weatherization, greenhouses and gardening, composting, recycling, etc.) is not widely understood nor used as much as it could be. The case studies presented exemplify how appropriate neighborhood technology can be used by CETA in answering basic human needs. Wider use is encouraged.

Summary

This section has presented most of the salient results of the project. It points out the major issues as well as most of the factors or conditions that are common to effective CETA programs for unemployed youth that hold implications for

real or potential job creation and/or community economic development.

If the gap between CETA as a "pass-through" training process system on the one hand and community economic development product-oriented goals on the other is to be bridged, then CETA policy must be linked more closely with an economic development thrust. Our study leads irrevocably to the conclusion that economic development, especially through small businesses, has to be the bottom line. Otherwise, CETA youth will all too often be trained for jobs that don't exist. Job creation can be deliberately fostered as community and neighborhood economic development is encouraged to link with CETA programs. City and neighborhood revitalization can occur elsewhere as it has in Watts, East Los Angeles, West San Bernardino, Boston's Jamaica Plain, Baltimore, Chicago's South Shore and Hyde Park, New York's Bronx, etc.

RECOMMENDATIONS

Introduction

During the conduct of the project several hundred recommendations were received in one form or another. Numerous recommendations came from other researchers, from DOL studies, from our project advisers, from community-based organizations, from conferences, agencies and individuals. Our effort was to screen these down to a short series of specific recommendations related to the basic issues directly affecting CETA relationships with community economic development and job creation.

It is assumed that CBOs and other CETA project personnel can profit most from this report by perusing the case studies and adopting or adapting those elements of the cases that most suit their own needs. The bulk of this section of the report relates more directly to the federal and state levels. Illinois DCCA and the IETC are viewed as the primary audience. It has funded this study and, through the use of the Governor's Discretionary Fund, it has the fiscal flexibility and political interrelationships necessary to accomplish a number of our recommendations.

Federal Level

At the present time FY '81 appropriations for CETA, for EDA and for the Carter Youth Initiatives (CETA and the Department of Education) are not yet decided. Regardless of what happens after the November, 1980 election, we assume some extension of a manpower policy, be it CETA or some other form, at the federal level. The problems of community revitalization on the one hand and our nation's unemployed youth on the other won't go away.

The Interagency Agreements described in the third section are an important move forward in the potential blending of CETA and other federal programs that can contribute to community revitalization and have a positive effect upon employment training that could result in permanent, self-sustaining jobs.

Further, we have pointed out the advantages and successes of demonstration programs, of "umbrella" organizations and uses of the DOL Secretary's Discretionary funds.

Accordingly, the following recommendations ensue:

1. Implement in the federal regions the Interagency Agreements with DOL/CETA as expeditiously as possible. The responsibility for implementation should be made clear. Means for monitoring and enforcing compliance should be established and communicated to all necessary agencies, organizations, news media, etc. 17 /

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17 / Monitoring Community Development: A Summary of the Citizens' Evaluation of the Community Development Block Program, The Working

2. The Department of Labor should be an exemplar when it comes to Equal Opportunity and Affirmative Action. Apparently, it is not. Steps should be taken internally to effect appropriate policies and procedures. Implementation should take place and be reported. This should apply to regional offices as well. DOL should more vigorously monitor and enforce equal opportunity and affirmative action plans and implementation in all prime sponsors.

3. Reduce the amount of and simplify the requirements of the inordinate paperwork, reports and forms associated with CETA projects. This may take congressional as well as administrative action.

4. DOL should deliberately encourage prime sponsors to work closely with CBOs with community economic development goals and should develop some kind of system for funding planning grants and start-up funds for CBOs. This could be done with Secretary's Discretionary Funds, by setting an initiative into the guidelines for use of Governors' Discretionary Funds or by encouraging legislation for the creation and development of Prime Sponsor Discretionary Funds and provision of regulated rights to approve waivers on the part of Prime Sponsors.

5. DOL should continue to support the effective demonstration programs such as YCCIP and supported work and continue to use the effective "umbrella" organizations such as MDRC, CPPV, Youthwork, etc. as those linked projects that result tend to be more successful for the reasons stated earlier.

Group for Community Development Reform, Washington, D.C., Center for Community Change, 1980. (An excellent summary of the evaluation and citizen monitoring of CDBG programs in 36 cities and counties that points to the improvements needed to make CDBG perform as it is intended. For example, in the context of this discussion, on p. 3 the report states under "Minorities". . ."only three of the twelve (projects in major cities) have strong minority hiring or contracting requirements. These findings demonstrate a laissez-faire attitude on the part of jurisdictions toward these affirmative action obligations. Monitors' research also revealed that a disproportionately high percentage of minorities was displaced. Further, only a small percentage of contracts went to minorities. In addition, few neighborhood revitalization projects occurred in minority areas, and the rate of completion of these projects was slower than in white neighborhoods. Finally, monitors found evidence of discriminatory practices against minority workers.")

6. DOL should deliberately work toward economic development linkages in every possible way if CETA is to become more than a "pass-through" system often preparing people for jobs that do not exist.

7. DOL should develop the necessary legislation, policy and operational procedures to enable primes to use a portion of their CETA funds to establish program priorities with guaranteed multi-year program grants for highly successful programs.

8. DOL should consider the possibility of utilizing, on a pilot basis, several of the larger, well-established CBOs as prime sponsors themselves. Several such CBOs serve population areas in excess of 100,000 persons, effectively utilize all available CETA titles, demonstrate creative and successful linkages, better their communities, create self-sustaining enterprises and offer technical assistance to small businesses, smaller CBOs in their geographic areas, etc. These large CBOs are closer to the needs, goals and problems of their immediate areas than are current urban city or county prime sponsors.

In general, DOL should be commended for its handling of an unwieldy system with numerous constraints and limitations imposed by Congress. Every effort should be made to clear up the system, encourage creativity and innovation, publicize successes, decrease paperwork and develop more positive rather than punitive monitoring. If economic development is to become national policy as we believe it should be, than all of CETA should be reviewed and revised where necessary to that end.

State Level

The project team has enjoyed extensive contact with DCCA, IETC and their administrators and staff during the 8-1/2 month project. Opportunities were provided to report to IETC's Youth Committee and the Economic Development and Jobs Committee (EDJC) and to serve as a member of the IETC's Economic Development Work Group recommending policy and projects for the Governor's Discretionary Funds Action Agenda for FY 1982. The administrators of DCCA and the IETC Council Staff are extremely well-informed, evidence high levels of commitment, are richly experienced and are unusually open to suggestions and recommendations. Moreso than many other states, the IETC is extremely active in its committees' involvements in creating policy and programs, drafting RFP's and rating proposals for priority and multi-year funding.

As the granting agency and primary audience for the results of this study, DCCA and IETC are in a position positively to influence and implement the ensuing recommendations.

1. DCCA is commended for its efforts to expend increasing amounts of its Governor's Discretionary Funds in research and projects outside DCCA. It is recommended that this trend be continued and accelerated. Further, our analysis indicates that the vast majority of Discretionary Funds still goes to other state code departments and state-supported higher education institutions. We recommend a decrease in such funding with a parallel increase in funding to non-state agencies.

2. Project research and recommendations point to a need for upper-level management technical assistance and training. The IMTI reportedly does an excellent job serving CETA providers but more attention should be given to assisting CBO leaders with training in long-range planning and in linking all aspects of community economic development with CETA. We recommend that DCCA take the leadership with the Illinois Board of Higher Education in encouraging the development of university programs in community economic development. A Chicago area university should be encouraged to develop such a curricular program, serve as a repository of research and data on urban development and redevelopment, and offer supportive workshops, seminars, etc. thereby becoming an established technical assistance center for CBOs.

3. The following parallel recommendation was submitted earlier to DCCA in its Issue-Problem-Documentation-Recommendation format:

"Issue

The leadership of outstanding, model CETA and other community development programs, both nationally and in Illinois, is a major factor in success. The issue is that the skills and talents needed by management in all CETA and other community development projects (both upper and middle levels) are rather unevenly distributed. Skills observed vary tremendously between and among programs and organizations of various types. Building the capacity of managers to a better level of qualitative leadership is the challenge.

Problem

What can DCCA do that is not now being done better to develop high-level managerial leadership in community-based organizations? While the IMTI addresses itself to some aspects of this problem, new methods, materials, and organization of technical assistance and training may well be needed. There is a need to build a profession of development managers for community development, for community economic development and for economic development in general; there is a need to engage CBO managers in strategic, long-range planning; there is a need to attract, train, retain and encourage community entrepreneurs; and there is a need to upgrade and improve middle managers in CBOs with more high-level technical skills.

Documentation

The Technical Development Corporation, the Policy Project on Development Finance, the National Council for Urban Economic Development, the Corporation for Public/Private Ventures, and the TRUST CETA/Jobs Creation Project have all pointed to the need for leadership. CPPV has developed the following matrix of suggested skills and talents and their uneven distribution.

	TOP MANAGEMENT	MIDDLE MANAGEMENT
Conceptual/strategic sense of development	Often lacking	Usually lacking
Organizational management	Abundant	Adequate
Long-range planning	Often lacking	Usually lacking
Financial analysis/ packaging	Adequate	Often lacking
Entrepreneurial and risk taking "skills"	Often lacking	Often lacking
Political skills	Abundant	Adequate
Grantsmanship	Abundant	Adequate

A phased strategy attacking this problem area and satisfying needs in Illinois could be employed. It should involve interested CBOs, government agencies, the private sector and interested educational institutions. A network of those interested could be established and be charged with developing both the strategy and program components into a cohesive, self-supporting plan. Elements could include university/CBO 'partnerships,' internships, scholarships, new degree programs, 'umbrella' type linkages encouraged and sustained by DCCA, institutes, workshops, perhaps a Neighborhood Leadership Assistance Center, etc.

Recommendation

DCCA should assume a broker function bringing together those persons and institutions that are knowledgeable about the problem with a specific charge to assess needs and existing resources, and to recommend a strategy, policy and program(s) for satisfying those needs on a continuing basis as well as to propose and solidify new resources needed."

4. The Governor's Special Grants Program should support Illinois' small businesses through the creation of community-based Business Information Centers (BICs). These BICs will serve as a single contact point between established and/or prospective firms and a wide range of local and regional resource groups. In addition, the BICs will help the small business identify the specific problems inhibiting its growth, development, and frequently, its survival. These BICs could be modeled after the BICs/Network in Massachusetts as set forth in Section II of this report. Neighborhood revitalization is directly interrelated with the generation, health and vitality of small businesses. Businesses employing 20 or less employees generate a large percentage of new jobs for CETA eligibles.

5. DCCA should also support the development of small businesses by CETA eligibles by encouraging all the state's Private Industrial Councils (PICs) to study, adapt and use the model Broward County, Florida PICs Be Your Own Businessman (BYOB) program presented in Section II. DCCA could assist further by identifying appropriate management training institutes or firms to conduct similar programs in Illinois.

6. The following Job Creation recommendation was submitted earlier:

"Issue

Job Creation via CETA. . .answering the need for training leading to permanent jobs.

Introduction

CETA law, since April 1, 1979, allows PSE projects under Titles II-D and VI to generate income, provided that the income is reinvested in the project. Such income is not restricted by percentage limitations. The potential exists for program income, along with other resources, to enable the continuation of a project even after CETA funding ends. Thus, permanent jobs can be created and communities can continue to benefit from the project's goods and/or services.

The role of the State of Illinois should be to stimulate interest in and commitment to jobs creation via CETA. The model of Massachusetts could be followed. Its Community Development Unit in the Office of Special Projects in the Department of Manpower implemented a demonstration CETA Job Creation Project in 1979-80 allocating $55,000 from the Governor's Discretionary Funds (4%) in grants of $10,000 to $20,000 to four already operating Title II-D and Title VI projects. The grants were for additional administrative monies not normally provided but which are necessary to develop new ventures. Such grants can, for example, provide additional training, administration or supervision, costs of technical assistance (for business plans, marketing analyses, feasibility studies, advertising, etc.), or any other need in order to develop the project into a self-sustaining enterprises.

Problem

There is a need in Illinois to:

- Further study the issues related to jobs creation via CETA.
- Publicize and communicate a major statewide commitment to job creation.
- Establish a job creation Task Force or assign the area as a major emphasis to IETC or one of its committees.
- Develop a job creation office in DCCA with assigned staff.
- Budget discretionary funds to conduct, initially, demonstration or model job creation projects.
- Develop the RFPs for existing projects to 'add-on' the job creation potential.
- Monitor progress, provide extensive technical assistance, and evaluate and disseminate the results.

Documentation

Massachusetts CETA Job Creation detailed in Section II.

Recommendations

a. IETC and DCCA should make a major policy commitment to support the notion of job creation via CETA.

b. DCCA should identify staff, create an Office of Job Creation, see that IETC establishes a Job Creation Task Force or assign it to a standing committee, develop the rules and criteria, develop the necessary RFP and guidelines, and provide monitoring, technical assistance, evaluation and publicity.

c. For FY '82, allocate a minimum of $100,000 of Discretionary Funds for job creation 'add-ons' to existing CETA projects for $10,000 to $25,000 demonstration grants.

d. There is adequate time to take these steps carefully and thoroughly, profiting from the Massachusetts experience. There, it is reported, the projects were undertaken too hastily and suffered from the lack of adequate business plans.

e. A long-range plan of gradual increase in funding job creation projects should be developed toward the goal of at least $1,000,000 annually to multiple projects in all the prime sponsors' areas in the state.

f. A longitudinal accumulation of experiences, successes and problems would be instructive for the entire state's manpower development and job creation.

g. DCCA could sponsor an 'umbrella organization' of project directors engaged in evolving job creation. Such networking develops cooperative strengths."

7. Growing out of TRUST's Jobs Study Committee report by Mike Holzman the current research supported the following recommendation submitted earlier:

"Issue

Needs of job generating Illinois small business for start-up and expansionary capital.

Introduction

Recent studies have indicated that there is a critical shortage of capital available for the expansion of small and medium-sized business. At the same time, the small firms that have the least access to debt and equity capital are the ones that are the prime generators of new jobs. A recent M.I.T. study of over 5,000,000 American businesses concluded that almost two-thirds of new jobs were developed by firms with 20 or fewer employees. Larger, more established firms contribute less than 30% of the new jobs in the country.

The role of the state in meeting small business capital needs can at best be a marginal one. Nonetheless, state governments in Pennsylvania, Connecticut and Massachusetts have initiated creative public-private partnerships to meet the capital requirements of these small high growth firms, thereby creating additional jobs. Illinois, on the other hand, has directed few, if any, of its resources to these job generating small firms. The Illinois Industrial Development Authority (IIDA) has used its bonding powers to provide $2.9 million of debt capital to small firms since its inception in 1971. Illinois small business programs like IIDA are seldom granted the same state support as 'smokestack chasing' (pursuing large industries from other states) or retaining large industries in the state.

To date, Illinois has failed to develop an overall strategy for assisting its volatile but growing small business community. Illinois state government has virtually ignored the successful models of small business capital formation in states like Massachusetts and has made no attempt to investigate the replicability of these programs in Illinois. As a result, state policy is overlooking the tremendous contribution of small business in terms of job creation, taxes and neighborhood growth.

Several of the small business initiatives operating in other states are described in Developing Jobs and Neighborhoods Through Small Business Growth: Recommendations for Action, TRUST, Inc., August, 1980. 18 / Briefly, the goal of each of these programs is to increase the job opportunities available to state residents and stimulate state economic growth through small business expansion. TRUST, Inc. is convinced that Illinois should develop job generating small business capital formation programs similar to those in other states and develop recommendations for their implementation in Illinois.

Problem

There is a need in Illinois to:

- Systematically examine the feasibility of state initiated programs to expand the availability of debt and equity capital for small businesses.

- Develop a comprehensive set of small business capital formation projects for presentation to the Illinois State Legislature.

- Stimulate the growth and expansion of job creating and tax generating small businesses in Illinois.

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18 / Holzman, op. cit.

Documentation

As discussed previously, there is a clear 'capital gap' for job generating small businesses both in Illinois and nationwide. Most of the major institutional investors will not even look at firms which are smaller than $100 million in sales or assets. In the private market, commercial banks are not filling this capital gap. Not only are banks legally prohibited from providing equity capital, but the debt they offer to small firms is characteristically short term. Growing firms need longer term debt and equity financing for expansion. In other words, this small business 'capital gap' has inhibited the growth and job creation potential of job generating small businesses.

Several states, in particular Massachusetts, have developed programs to create jobs by meeting the capital requirements of growing business. These state initiatives provide small businesses equity capital (Massachusetts Community Development Financial Corporation; Massachusetts Capital Resources Corporation), product development assistance (Massachusetts Technology Development Corporation; Connecticut Product Development Corporation), debt financing (Massachusetts Industrial Finance Agency), and technical assistance (Massachusetts Community Economic Development Assistance Corporation). The State of Illinois, on the other hand, has done relatively little to investigate the potentials for similar programs in Illinois. For more detailed descriptions of capital formation programs in other states, see the following: Sussman, Carl, Community Economic Development and the States, Center for Community Economic Development, 1979; Daniels, Belden, Innovations in Development Financing, 1979. Council on State Planning Agencies, listed in the Holzman study.

Recommendations

a. The Illinois Employment and Training Council should retain a consultant intensively to examine the costs and benefits of small business capital formation programs in other states and their replicability in Illinois. The consultant will report his findings on a periodic basis to the Economic Development and Jobs Committee who will review his work on a regular basis. The consultant with IETC input will accomplish the following:

   - study the past performance and replicability of small business capital formation programs in Massachusetts, Pennsylvania, Connecticut and other states.

   - examine the potential of expanding the activities of the Illinois Industrial Development Authority to include additional incentives for industrial and commercial firms.

   - investigate such small business financing techniques as 'umbrella revenue bonds', product development authorities, and state development banks.

b. The IETC Economic Development and Jobs Committee will analyze the consultant's findings and develop a package of small business capital formation projects and submit them to the Governor and State Legislature for support. The recommendations will include:

- costs for each recommended project and sources of funding, e.g., CETA discretionary monies.
- time frames for program operations.
- an evaluation mechanism to determine project success after a reasonable time.
- project objectives and their relationship with overall state economic development objectives.
- description of how the program would be administered, its staff requirements, and job descriptions for each position.

The total cost of this project would be approximately $75,000-$100,000 primarily to pay the costs of hiring a qualified consultant. A similar Task Force on Capital Formation in Massachusetts developed essential program initiatives which were subsequently enacted by the State Legislature. These included the Community Development Financial Corpoation, Massachusetts Product Development Corporation, and the Massachusetts Industrial Finance Corporation."

8. This project identified CBOs as prime actors in successful CETA programs. An earlier recommended study was presented as follows:

"Issue

Neighborhood revitalization and development are crucial to the economic welfare of cities and especially to the unemployed or underemployed citizens residing in and around disinvested neighborhoods.

Introduction

Studies of TRUST, Inc. on the direct economic link between neighborhood health and total city and 'downtown' vitality and other studies, such as Pittsburgh's A New Public Policy for Neighborhood Preservation 19 / underscore the necessity for careful study of neighborhood or community-based organizations. The 'social fabric' of a neighborhood, taken in all its complexity, must be alive and developing if the community is to be healthy. Community-based organizations that are truly representative of all people in the area, that provide open forums for problem definition, prioritizing and problem solution, that mutually select and agree to work upon major community goals, that actively advocate desired change - these community

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19 / Ahlbrandt, Roger S. Jr. and Cunningham, James V., A New Public Policy for Neighborhood Preservation, Praeger Publishers, New York, New York, 1979, 277 pp.

groups hold great potential for carrying out necessary programs. Gradually, CBOs are maturing and gathering strength. Their track records generally improve with experience. The more mature ones gain success with leveraging funds from multiple sources and productively and effectively attacking major problems. Although nowhere near the size of The East Los Angeles Community Union (TELACU) or the Watts Labor Community Action Committee (WLCAC), The Woodlawn Organization, South Shore/Neighborhood Institute, 18th Street Development Corporation, the Egyptian Union in Cairo, and many others have demonstrated leadership, vitality, success, growth, etc. Many other CBOs in Illinois are beginning or are at early stages of development. Much needs to be learned about these growing forces which most directly reflect the needs of citizens in their own neighborhoods.

The Melaniphy 'Neighborhood Needs Strategy Analysis' in Chicago, funded by the Mayor's Office for $575,000, will study selected neigbhorhoods for 4-6 months and then analyze demographics, general neighborhood conditions, market perceptions, neighborhood needs inputs, existing and planned programs, self-initiative, housing conditions and market, commercial conditions and market, industrial conditions and market, environment for improvement, institutions, external forces, neighborhood needs and alternative actions, costs of actions, and anticipated outcomes. Such a study is needed. The second phase (above) is expected to take 16 months. When the data base, short and long range plans, and a matrix are done, alternative actions, costs and outcomes are expected to result.

Above and beyond the Melaniphy Study, we need more information about how community-based organizations evolve successfully.

Problem

What are the factors, conditions and processes that contribute to the successful evolution and development of effective community-based organizations? What technical assistance and training components can be constructed which will aid in the healthy development of new CBOs? What longitudinal data can be obtained that demonstrate the development of CBOs from the beginning through maturity? What qualities of leadership are needed? What conditions of involvement exist? How can they be nurtured?

These and other questions define the problem for research.

Documentation

The TRUST, Inc. studies, the Pittsburgh study, the work of the Kettering Foundation, the Stanford Research Institute and others, including the National Association of Neighborhoods and the Center for Community Change, all speak to the need for vital community-based organizations if the nation's neighborhoods are to become healthy again. This applies whether or not we think of urban metropolises, or small and medium sized cities.

Recommendations

a. TRUST, Inc. should undertake a longitudinal (perhaps 3 year) study of community-based organizations in Illinois communities. An intensive analysis should be made of selected CBOs over time

(6 'mature', 6 'adolescent', 6 'infant'). The factors, conditions, processes and stimuli predicting success should be identified, isolated, described and put into technical assistance and training components to be shared with others.

b. The study should be budgeted at $100,000 to $150,000/year for a minimum of 3 years. Funding should be sought from the private sector as well as from other sources.

c. The active involvement of CBO leaders, CBO organizations and scholars in the field should be sought and paid for. (Many CBOs are justifiably complaining of the time they spend 'visiting' with persons 'studying' their organization).

d. The study would accumulate a valuable data base, identify leaders, factors, conditions, processes and patterns which lend themselves to successful community revitalization. The results would be transportable in the forms of knowledge, technical assistance and training, thus contributing to future development of successful CBOs."

9. In order to further stimulate community economic development the Pennsylvania Neighborhood Assistance Program should be adapted and adopted in Illinois as earlier recommended.

"Issue

Leveraging Private Sector Monies to Support Community Development Projects.

Introduction

Without question, community organizations play a crucial role in revitalizing urban and rural neighborhoods. Neighborhood groups, both in Chicago and downstate, have been instrumental in preserving housing stock, revitalizing commercial strips, and training the unemployed for productive work.

Unfortunately, neighborhood groups are largely outside the flow of the corporate foundation giving patterns. As a result, key development initiatives in the areas of housing rehabilitation, job creation, commercial revitalization, and weatherization are generally underfunded, inadequately staffed, and limited in impact. Even more disturbing is the fact that the State of Illinois has done nothing to leverage new corporate contributions to support neighborhood development activities. Although Pennsylvania, Wisconsin, Minnesota, and Ohio offer corporations tax breaks if they contribute to neighborhood projects, the State of Illinois has not even started to discuss the feasibility of a similar program in Illinois.

Following the successful models of these states, the Illinois legislature should adopt a Neighborhood Assistance Program which offers corporations tax credits if they increase their funding for community revitalization projects. By offering limited tax credits to corporations that fund neighborhood development programs, Illinois would not only leverage additional private investment dollars into distressed communities, but generate additional tax dollars by strengthening the state economy.

Problem

There is a need for Illinois government to:

- stimulate rural and urban neighborhood development activities.
- increase the flow of corporate contributions to projects which strengthen neighborhood organizations, develop community economies, and generate additional tax revenues.

Documentation

A. Corporate foundations do not contribute to neighborhood development organizations or their projects.

Studies of aggregate patterns of funding during the past four years in Chicago show that few corporate dollars went to neighborhood groups involved in community development activities. According to the Chicago Donors Forum, in 1980 approximately 5.1% of the $8 million in philanthropic grant funds in the Chicago area were provided for community development projects and another 1.9% for economic development programs.

In 1976, only 1.4% of total philanthropic dollars went to fund neighborhood organizations. Most corporate foundations are continuing to give the lion's share of their contributions to the traditional categories of health care and higher education. Making this even worse is the fact that most corporate foundations did not increase their giving more than the rate of inflation. The average corporate contribution is about 1% of pre-tax profits. As a result of these corporate giving patterns, which ignore community development needs, community organizations and their revitalization efforts are frequently unable to obtain necessary start-up financing.

B. The State of Illinois could develop programs which stimulate neighborhood giving by corporations.

Several states in the midwest and northeast, notably Pennsylvania, Michigan and Wisconsin, have developed tax incentives that are intended to stimulate corporate giving to neighborhood programs. By far, the leader in using state resources to encourage neighborhood development contributions by corporations is the State of Pennsylvania. In 1967, the Pennsylvania Legislature created the 'Neighborhood Assistance Program' which offered credits on state corporate taxes for businesses that contribute money or other resources to programs that help impoverished citizens, families, or communities. Since its formation, hundreds of businesses across the state have participated and received the tax credit. Nearly $8.75 million in new corporate dollars are annually invested in Pennsylvania communities. These dollars have been used to pay for such neighborhood revitalization programs as housing rehabilitation, job training, economic development, crime prevention, and health care. Corporations receive the credit for sponsoring their own projects in a community or for contributing monies, technical advice and labor to non-profit neighborhood groups for specific programs.

To put it simply, up to 50% of the corporate contribution to eligible certified non-profit community groups can be used as a credit on the state's corporate net income tax, mutual, thrift institution tax, shares tax, or gross premium tax. The total tax credit for any one firm is limited to $150,000 per year and tax credits of up to 70% are available for firms contributing to programs in priority areas. Pennsylvania has discovered that its tax program has leveraged additional dollars for neighborhood investment and targeted corporate giving to projects which conform to state development goals, such as job training, economic development, housing rehabilitation, and community development. A variation of Pennsylvania's Neighborhood Assistance Program should be implemented in Illinois.

Recommendations

The Governor and the Department of Commerce and Community Affairs should immediately form an ad hoc committee to review the potential for neighborhood corporate tax credits in Illinois and make recommendations for legislative action. The committee would review the effectiveness of corporate tax credits in Pennsylvania and other states and prepare a Neighborhood Assistance Program statute to submit to the Illinois Legislature. TRUST will work actively with the State Legislature, the Governor, and DCCA in the development of this legislation and will do all it can to ensure its passage.

Issues which would be worked out by the committee include: the amount of the tax credit to be provided to the corporation; which community projects would be eligible for the project; how the program would be funded and administered. Despite these difficulties, TRUST is convinced that some variation of Pennsylvania's Neighborhood Assistance Program should be implemented in Illinois. An IETC Committee could be assigned to this area and a discretionary fund research project in FY'82 could do the necessary research and documentation in preparation for action."

10. Another desirable variation encouraging community-based small business and job creation demonstrations should be undertaken. The Governor's Discretionary Fund should support several programs demonstrating the use of CETA funds to stimulate new businesses specifically designed to become profit-making self-supporting ventures. CBOs should be encouraged to plan projects involving a market study, a comprehensive plan, arranging for legal incorporation, planning for and obtaining needed equity and debt financing, delineating needed technical assistance and training, planning all necessary job descriptions and developing all foreseen contingency plans. These programs should involve prime sponsors and their PICs. These projects should be funded at the rate of $100,000 annually for at least three years.

11. The low percentage administrative/supervisory budgets available to CETA program directors are simply not sufficient especially when we ask those persons to direct more attention to job creation and community economic development as well as to employment training. The state as well as the private and philanthropic sectors should make additional funds available to CBOs conducting CETA programs. This requires both a philosophic commitment to CBOs as well as a financial commitment. In order to assist capitalizing CBOs and aiding them in planning, we propose that DCCA consider establishing a

"floating" CBO planning and administration fund. An appropriate non-profit organization should be given a sufficient amount of investment capital from the Governor's Discretionary Fund so that the interest, after administration could be made available annually to CBOs planning or conducting CETA programs related to community economic development. A million dollar investment could enable an organization to make a series of planning and administrative grants available to a number of CBOs annually. Of course, an increase in the investment capital over time would make even more available for CBO grants. These steps could also aid CBOs to develop successful "track records" thereby enhancing their potential for leveraging additional private and philanthropic grants as well.

12. It is further recommended that all aspects of CETA policy and programming in the state deliberately seek more actively to involve CBOs in all CETA processes. IETC, DCCA, BOS, all other prime sponsor and Private Industrial Councils should make sure that their respective area CBOs sit on councils and committees, are invited to participate in policy and planning deliberations and ensure that CBOs receive all RFPs with an equal chance to respond. Community economic development/CETA projects should receive priority in funding.

13. DCCA should take the leadership in researching and analyzing the potential for using small business investment corporations (SBICs) and minority enterprise small business investment corporations (MESBICs) for neighborhood development and job creation. National models of SBICs and MESBICs which have successfully initiated programs that provide venture and long term debt capital for community economic development and job creation should be studied for possible adaptation in Illinois. The strengths and shortcomings of Illinois SBICs should be analyzed and realistic plans for expansion of SBICs and MESBICs in Illinois should be recommended. The real and potential roles of community-based organizations in SBICs and MESBICs should be studied. The project models for Illinois, a "how-to" manual and technical assistance recommendations should be produced and distributed. The project should explore the potential of SBA to encourage SBIC and MESBIC development.

14. This project has identified the fact that projects linked with other projects of a similar nature tend to enjoy a higher success rate for a variety of reasons. We therefore recommend that the DCCA encourage additional linkages wherever possible. Existing linked programs such as Chicago's Options (Manpower Demonstration Research Corporation), Alternative Schools Network (Youthwork) and the 18th Street Development Corporation (Ventures in Community Improvement/CPPV) should be encouraged to continue to develop, improve and expand.

15. The DCCA should explore the creation of a Technology and Product Development Corporation designed to provide financial incentives to marketable new technologies and products, the success of which would result in new jobs. Connecticut, Massachusetts, and New Jersey have done this successfully and could serve as models.

16. DCCA should consider enhancing its current manpower training efforts by establishing a Customized Manpower Development Corporation which would "contract" with present and prospective employers expanding or locating in Illinois to recruit and train the company's requisite complement of employees. This could be started on a demonstration basis in some large urban area like Chicago. Similar effective programs exist in South Carolina and in Hartford, Connecticut.

17. The State of Illinois and the City of Chicago should have improved programs of targeted contracting for governmental goods and services in connection with firms providing jobs for the hard-to-employ.

Finally, unless and until federal, state, county and city officials adopt an aggressive policy of linking CETA and community economic development and vigorously implement the necessary practices to enforce those linkages then job creation will continue to be an almost incidental, rather than planned, result of CETA.

As far as "importable" models are concerned, the case studies presented cover a variety of possibilities - community rehabilitation and revitalization, new housing, jobs creation, alternative neighborhood technologies, alternative schools, energy conservation and generation, beautification, starting profit-making subsidiaries of CBOs, encouraging small businesses and developing various technical assistance and state financing incentives. These models exist both within and outside Illinois. The challenge is to adapt them to local use.

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GLOSSARY

ACDC	Arlington Community Development Corporation
AND	Asian Neighborhood Design
ASN	Alternative Schools Network
BETA	Broward Employment and Training Administration (Florida)
BFDC	Bronx Frontier Development Corporation
BIC/NET	Business Information Center/Network
BOS	Balance of State
BYOB	Be Your Own Boss (Broward County, Florida)
CBO	Community Based Organization
CDBG	Community Development Block Grant
CDC	Community Development Corporation
CDFC	Community Development Finance Corporation (Massachusetts)
CEDAC	Community Economic Development Assistance Corporation (Massachusetts)
CETA	Comprehensive Employment and Training Act
CNT	Center for Neighborhood Technology (Chicago)
CPC	Citizens Policy Center (San Francisco)
CPPV	Corporation for Public/Private Ventures (Philadelphia)
CREW	Community Rehabilitation and Environmental Maintenance Works (Chicago)
DCCA	Department of Commerce and Community Affairs (Illinois)
DMD	Department of Manpower Development (Massachusetts)
DOL	Department of Labor
DOT	Department of Transportation
EDA	Economic Development Administration
EDJC	Economic Development and Jobs Committee of the IETC
ESAC	Ecumenical Social Action Committee (Jamaica Plain)
ESDC	Eighteenth Street Development Corporation (Chicago)
ETA	Employment and Training Administration
GED	General Education Development
HUD	Department of Housing and Urban Development
IETC	Illinois Employment and Training Council
IIDA	Illinois Industrial Development Authority
IMTI	Illinois Manpower Training Institute
INDC	Illinois Neighborhood Development Corporation
MBO	Management By Objectives
MDRC	Manpower Demonstration Research Corporation (New York)
MESBIC	Minority Enterprise Small Business Investment Corporation
MIT	Massachusetts Institute of Technology
NDC	Neighborhood Development Corporation of Jamaica Plain
NEAR	Neighborhood Energy Audit and Retrofit Service
NEC	Neighborhood Energy Company (Jamaica Plain)
NEP	New Enterprises Program, Inc. (San Francisco)
OAT	Office of Appropriate Technology (California)
OB	Operation Brotherhood (Chicago)
OEO	Office of Economic Opportunity
OIC	Opportunities Industrialization Centers of America
OJT	On the Job Training

GLOSSARY (continued)

OR/NE	Open Road/New Enterprises (San Francisco)
OYP	Office of Youth Programs
PAC	Program Advisory Committee
PERT	Program Evaluation Review Technique
PIC	Private Industrial Councils
PSE	Public Service Employment
PSIP	Private Sector Initiatives Program
PSL	Peralta Service League (Oakland)
RFP	Request for Proposal
SAU	Spanish American Union (Oakland)
SBA	Small Business Administration
SBDO	South Bronx Development Office (New York)
SBIC	Small Business Investment Corporation
SCORE	Service Core of Retired Executives
SMSA	Standard Metropolitan Statistical Area
SPEDY	Summer Program for Economically Disadvantaged Youth
SYEP	Summer Youth Employment Program
TDC	Technical Development Corporation (Boston)
TELACU	The East Los Angeles Community Union (Los Angeles)
TJTC	Targeted Jobs Tax Credit
TNI	The Neighborhood Institute (Chicago)
TRUST, Inc.	To Reshape Urban Systems Together
TWO	The Woodlawn Organization (Chicago)
UNESCO	United Nations Education, Science and Culture Organization
VA	Veterans Administration
VICI	Veterans in Community Improvement (CPPV)
WHIC	Woodlawn Home Improvement Corporation (Chicago)
WIN	Work Incentive Program
WLCAC	Watts Labor Community Action Committee (Los Angeles)
YACC	Young Adult Conservation Corps
YCCIP	Youth Community Conservation and Improvement Project
YEDPA	Youth Employment and Demonstration Project Act of 1977
YEP	Youth Employment Program
YETP	Youth Employment and Training Program
YIEPP	Youth Incentive Entitlement Pilot Program
YMCA	Young Men's Christian Association

APPENDIX I

PROGRAM ADVISORY COMMITTEE

Normally, the TRUST process of open committee study involves monthly or more frequent meetings of a fairly large committee which hears expert testimony, responds to detailed minutes and is functionally involved in developing detailed recommendations which have committee vote and support.

This project involved the following persons who served as a Program Advisory Committee but the recommendations in the report are largely the product of project staff based upon the case studies and advice of experts including Committee members. The Committee did not formally endorse the project recommendations.

The Committee met four times and a working task force subcommittee met twice, additionally. The Committee received numerous excerpts of other reports and researches relating to CETA/Jobs Creation and heard presentations by project staff, Janet Malone of TRUST, Sandy Warren of Peralta Service League, Pat McGuigan of the Massachusetts Community Development Finance Corporation, Jimmy Wethers of the Center for Community Change and John Taylor, Chief, Council Staff of the Illinois Employment and Training Council.

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APPENDIX III

INTERVIEW GUIDE

1. Name of Organization/Project
2. Address
3. Telephone Number
4. Parent Body (if any)
5. Type of Organization (Public, Private, Non-Profit)
6. Board of Directors
7. Affiliations & Linkages to Community Economic Development & Other Programs
8. Names of Director(s)/Key Personnel
9. History/Background
10. How Organization Sees Itself/Mission/Project/Goals/ Accomplishments/Plans
11. Funding Sources
12. Geographic Area It Seeks to Serve
13. Number of Employees
14. Budget
15. Number of CETA Workers
16. History of CETA Involvement/Problems/Constraints
17. Feelings About CETA/Recommendations for Improvement
18. Involvement with Youth
19. Number & Types of Jobs Program has Created (CETA & Otherwise)
20. Official Documentation/Letterhead/News Releases/Flyers/Brochures/ Annual Reports